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MAY 21 2002

US DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
WASHINGTON, DC 20591

SKYDANCE HELICOPTERS, INC. d/b/a SKYDANCE)  
OPERATIONS INC.,

Complainant,

vs.

SEDONA OAK-CREEK AIRPORT AUTHORITY,

and

YAVAPAI COUNTY, ARIZONA,

Respondents.

DOCKET NO. 16-02-02

FAA-02-13068-7

**PART 16 ANSWER AND MOTION TO DISMISS**

**EXHIBITS**

COMMUNICATIONS WITH RESPECT TO THIS DOCUMENT SHOULD BE SENT TO:

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Authority

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Attorney For Sedona Oak-Creek Airport  
Authority

Dated: May 20, 2002

A



## Sedona Airport Administration

235 Air Terminal Drive, Suite 1 • Sedona, Arizona 86336  
520-282-4487 • Fax: 520-204-1292

October 3, 2000

TO: Sedona Airport Board of Directors

FM: Mac McCall, A.A.E., General Manager

RE: Report in Brief / Incidents N.E. Hangar Ramp 9/29/00

In the late afternoon of Friday, 9/29/00, I received a telephone call from Tom Simpson (RRA) requesting me to meet him and the Sedona Police on the north east hangar ramp. It was related to me that another altercation had taken place between employees of Red Rock Biplane Tours and Skydance Helicopters.

Upon my arrival four police vehicles and our airport security vehicle were on the ramp. When I exited my vehicle several attempts were made by various employees of the two tour operators to vent their anger with their competitors actions to me. Over the last year of my tenure at Sedona Airport it has become a regular occurrence to try to use me and the Airport Authority to justify some competitive advantage over one tour operator by another. I will not allow that to occur and must always take time to investigate the regular allegations that are made by one tour operator against another. I determined the best course of action was not to talk with any of the participants and begin to restore order and to find a way to get the airport back in operation. I then located Tom Simpson and got a preliminary briefing, which further convinced me the situation should be immediately defused. My goal was to end the confrontations and come up with a plan that would allow the airport to function until a full investigation could be conducted on Monday, hopefully after tempers had cooled. I requested that the two owners of the tour companies meet with me and the Police alone without any other employees.

My hope of appealing to the business sense of the two company owners in the wisdom of this course of action was futile. In the two hours I spent with Mr. Brunner and Mr. Cain attempting to develop a plan of operation. I offered to use Red Rock Aviation's Airport Staff members to mediate any further problems on a case by case basis until Monday. I was continually interrupted by each of them pressing complaints against the other.

Then further problems developed during this period by the various companies employees attempting to enter the conversations with the two company owners or me. I rejected these attempts to concentrate on developing the plan of operation with the two owners.

It became apparent no solution would be reached at that time and I then instructed the two tour company owners to contact the Airport Staff to move any of their aircraft around the vicinity of a competing tour company until Monday when the situation could be reviewed. I then requested all personnel be dispersed.

Those people who in fact witnessed them best describe the circumstances of the actual incidents. I sent a letter to all parties on Monday to submit written statements of the incidents to the Airport Authority and they are in the file for review.

B



# SEDONA POLICE DEPARTMENT

## Incident Report

DR #  
20-8287

Nature of Occurrence <b>Disorderly conduct</b>	ARS/CC <b>13-2904</b>	Location of Occurrence <b>1225 Airport Rd</b>		
Date/Time Occurred <b>092900 1655hrs</b>	Date/Time Reported <b>092900 1655 hrs</b>	Date Completed <b>093000</b>	Value of Stolen Property <b>na</b>	Related DR #'s <b>na</b>
Victim <b>Miletzal, Michael P</b>	DOB <b>082148</b>	Race/Sex <b>wm</b>	Address (include City/ZIP) <b>[REDACTED] Camp Verde Az 86322</b>	
Home Phone # <b>520 -567-2744</b>	Business Phone # <b>520-282-1651</b>	Message Phone or e-mail		Driver's Lic # or SSN

Roebuck Jim S		DOB <b>092860</b>	Race/Sex <b>wm</b>	Address (include City/ZIP) <b>[REDACTED]</b>	
Height/Weight <b>5'9" 160</b>	Hair/Eyes <b>blu brn</b>	Clothing <b>jeans wk shirt</b>	Marks, Scars, etc		Driver's Lic # or SSN
Relationship to Victim <b>known accociate</b>		Home Phone # <b>520-282-7165</b>	Business Phone #	Occupation <b>mechanic</b>	

IL 1	Jones, Dwight H		DOB <b>092066</b>	Address (include City/ZIP) <b>[REDACTED] Cottonwood Az 86326</b>		Phone # <b>[REDACTED]</b>			
IL 2	Harris, James C		DOB <b>071180</b>	Address (include City/ZIP) <b>[REDACTED] Sedona Az 86336</b>		Phone # <b>[REDACTED]</b>			
IL 3	Brunner Larry L		DOB <b>042249</b>	Address (include City/ZIP) <b>[REDACTED] Sedona Az 86336</b>		Phone # <b>[REDACTED]</b>			
Vehicle Involved <b>aircraft</b>	Code <b>y</b>	Year	Make	Model	Body Style	Color <b>tan</b>	Lic. State	Plate #	Expires
V.I.N.					Distinguishing Features				

Victims	Suspects	IL's	PR's	Witnesses	R.P's	Vehicles
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### Synopsis:

On 092900 at about 1655 hrs the Sedona police department received a 911 call of a subject with a baseball bat threatening a helicopter. This occurred at 1225 Airport Rd Sedona Az.

**CONTROLLED DOCUMENT**  
**DISSEMINATION CONTROLLED BY LAW**

RELEASED TO Mac McCall

EMPL # Chief Vernier DATE 10-5-2000

**SEDONA POLICE DEPARTMENT**  
**100 ROADRUNNER DRIVE, SEDONA AZ 86336**

### Special Attention/Check All That Apply

Misdemeanor  
Felony/Yavapai County  
Felony/Coconino County  
Suspect in Custody  
Suspect Cited & Released  
Domestic Violence  
Bias or Hate Crime  
Victim Will Prosecute  
NCIC/ACIC Entry (s)

### Additional Reports/Check All That Apply

Vehicle Impound  
Property Invoice  
Victim Rights  
Booking  
Citation  
Juvenile Referral  
Written Statement (victim) **XX**  
Written Statement (witness) **XX**  
Written Statement (suspect)  
Supp's By Other Officers  
Other Reports or Forms

### NCIC Entry #'s:

Unfounded  
Cleared By Arrest  
Cleared Exceptional **X**  
Cleared Juvenile  
Investigation Cont.

### Reporting Officer/Ser. #

**EDGERTON**

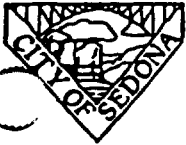
### Approved By/Ser. #

**[Signature]**

### Indexed By:

### UCR Scored By

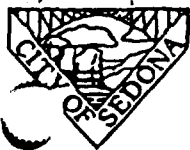
### Reassigned To



# SEDONA POLICE DEPARTMENT INCIDENT WITNESS STATEMENT

DR#	20-8287
REPORTING OFFICER	ED SERTON 824
SER. NO.	

SUSPECT NAME (IF KNOWN)			
<input type="checkbox"/> SUSPECT IS KNOWN TO WITNESS			
POLICE DEPARTMENT USE ONLY—DO NOT WRITE ABOVE THIS LINE			
WITNESS: COMPLETE THIS SIDE BY CHECKING ALL THE APPROPRIATE BOXES AND FILLING IN THE BLANKS. THEN TURN THE SHEET OVER AND WRITE YOUR ACCOUNT OF THE INCIDENT.			
YOUR NAME		YOUR DATE OF BIRTH	
FIRST James MIDDLE Clifford LAST Harris		7-11-80	
ADDRESS		WORK PHONE - EXTENSION OR DAYTIME PHONE IF DIFFERENT	
CITY Sedona STATE Az. ZIP CODE 86336		[REDACTED]	
SUSPECT DESCRIPTION			
RACE		SEX	DATE OF BIRTH
<input checked="" type="checkbox"/> CAUCASIAN <input type="checkbox"/> BLACK <input type="checkbox"/> INDIAN <input type="checkbox"/> HISPANIC <input type="checkbox"/> ORIENTAL <input type="checkbox"/> MIDDLE EASTERN <input type="checkbox"/> OTHER		M	
HEIGHT	WEIGHT	BUILD	DEFORMITIES
		<input type="checkbox"/> SLIM <input type="checkbox"/> MEDIUM <input type="checkbox"/> HEAVY <input type="checkbox"/> OBESE <input type="checkbox"/> MUSCULAR <input type="checkbox"/> OTHER	
HAIR	<input type="checkbox"/> BLACK <input type="checkbox"/> BROWN <input type="checkbox"/> RED <input type="checkbox"/> BLOND <input type="checkbox"/> GREY OR GREYING <input type="checkbox"/> BALD OR BALDING	<input type="checkbox"/> LONG <input type="checkbox"/> SHORT <input type="checkbox"/> SHOULDER <input type="checkbox"/> CREWCUT <input type="checkbox"/> STRINGY <input type="checkbox"/> ONLY <input type="checkbox"/> STRAIGHT <input type="checkbox"/> CURLY	
EYES	<input type="checkbox"/> BLUE <input type="checkbox"/> BROWN <input type="checkbox"/> GREEN <input type="checkbox"/> HAZEL <input type="checkbox"/> LARGE <input type="checkbox"/> SMALL <input type="checkbox"/> FARSET <input type="checkbox"/> CLOSESET <input type="checkbox"/> SQUINTY <input type="checkbox"/> CROSSED <input type="checkbox"/> BLOODSHOT <input type="checkbox"/> WATERY <input type="checkbox"/> GLASSES <input type="checkbox"/> CONTACTS		
FACE	<input type="checkbox"/> MUSTACHE <input type="checkbox"/> BEARD <input type="checkbox"/> GOATEE <input type="checkbox"/> SIDEBURNS <input type="checkbox"/> CLEAN SHAVEN <input type="checkbox"/> UNSHAVEN <input type="checkbox"/> ROUND <input type="checkbox"/> OVAL <input type="checkbox"/> EGG-SHAPED <input type="checkbox"/> SQUARE <input type="checkbox"/> NECK <input type="checkbox"/> LONG <input type="checkbox"/> SHORT		
EYEBROWS	<input type="checkbox"/> THIN <input type="checkbox"/> BUSHY <input type="checkbox"/> JOINED <input type="checkbox"/> OTHER <input type="checkbox"/> EARS <input type="checkbox"/> LARGE <input type="checkbox"/> SMALL <input type="checkbox"/> PROTRUDING <input type="checkbox"/> NOSE <input type="checkbox"/> THIN <input type="checkbox"/> LARGE <input type="checkbox"/> BROKEN <input type="checkbox"/> PUG		
MOUTH	<input type="checkbox"/> THIN LIPS <input type="checkbox"/> FULL LIPS <input type="checkbox"/> DIMPLES <input type="checkbox"/> OTHER <input type="checkbox"/> TEETH <input type="checkbox"/> EVEN <input type="checkbox"/> SPACED <input type="checkbox"/> BROKEN <input type="checkbox"/> MISSING <input type="checkbox"/> METAL <input type="checkbox"/> BREATH <input type="checkbox"/> SWEET <input type="checkbox"/> FOUL <input type="checkbox"/> ALCOHOL <input type="checkbox"/> SMOKERS		
CHIN	<input type="checkbox"/> JUTTING <input type="checkbox"/> RECEDING <input type="checkbox"/> DIMPLED <input type="checkbox"/> POINTED <input type="checkbox"/> SQUARE <input type="checkbox"/> COMPLEXION <input type="checkbox"/> PALE <input type="checkbox"/> TANNED <input type="checkbox"/> COFFEE <input type="checkbox"/> RED <input type="checkbox"/> SMOOTH <input type="checkbox"/> ONLY <input type="checkbox"/> ACNE <input type="checkbox"/> POCKED <input type="checkbox"/> FRECKLED		
SCARS	<input type="checkbox"/> FACE <input type="checkbox"/> TORSO		
TATTOOS	<input type="checkbox"/> LEFT ARM HAND <input type="checkbox"/> RIGHT ARM HAND <input type="checkbox"/> OTHER		
SPEECH	<input type="checkbox"/> SLURRED <input type="checkbox"/> LISP <input type="checkbox"/> STUTTER <input type="checkbox"/> CLEFT PALLET <input type="checkbox"/> RAPID <input type="checkbox"/> DRAWL <input type="checkbox"/> SOFT <input type="checkbox"/> MUMBLED <input type="checkbox"/> REFINED <input type="checkbox"/> ACCENT <input type="checkbox"/> OTHER		
CLOTHING	<input type="checkbox"/> NEAT <input type="checkbox"/> MUSSUED <input type="checkbox"/> CLEAN <input type="checkbox"/> DIRTY <input type="checkbox"/> MASK DISGUISE <input type="checkbox"/> COLOR		
<input type="checkbox"/> HAT <input type="checkbox"/> SCARF <input type="checkbox"/> SHORT-SLEEVE SHIRT <input type="checkbox"/> LONG-SLEEVE SHIRT <input type="checkbox"/> SHORTS <input type="checkbox"/> LONG PANTS <input type="checkbox"/> BELT <input type="checkbox"/> GLOVES <input type="checkbox"/> VEST <input type="checkbox"/> COAT <input type="checkbox"/> SHOES <input type="checkbox"/> BAREFOOT			
JEWELRY	<input type="checkbox"/> EARRING(S) <input type="checkbox"/> NECKLACES <input type="checkbox"/> WATCH BRACELETS <input type="checkbox"/> RINGS		
WEAPON	<input type="checkbox"/> AUTOMATIC <input type="checkbox"/> REVOLVER <input type="checkbox"/> SHOTGUN <input type="checkbox"/> RIFLE <input type="checkbox"/> KNIFE <input type="checkbox"/> OTHER DESCRIBE (LENGTH, FINISH, CALIBER, ETC.)		
MODE OF TRAVEL	<input type="checkbox"/> FOOT <input type="checkbox"/> BICYCLE <input type="checkbox"/> VEHICLE TYPE		DIRECTION OF TRAVEL
COLOR	MAKE	LICENSE PLATE	OTHER
OVER			



# SEDONA POLICE DEPARTMENT INCIDENT WITNESS STATEMENT

DR# 20-8287  
REPORTING OFFICER EDGERTON  
SER. NO. 81

SUSPECT NAME (IF KNOWN)

☐ SUSPECT IS KNOWN TO WITNESS

## POLICE DEPARTMENT USE ONLY—DO NOT WRITE ABOVE THIS LINE

WITNESS: COMPLETE THIS SIDE BY CHECKING ALL THE APPROPRIATE BOXES AND FILLING IN THE BLANKS. THEN TURN THE SHEET OVER AND WRITE YOUR ACCOUNT OF THE INCIDENT.

YOUR NAME FIRST Michael MIDDLE Paul LAST Muetzel YOUR DATE OF BIRTH 31 Aug 1948  
ADDRESS [REDACTED] CITY Campe Verde STATE AZ ZIP CODE 86322 WORK PHONE - EXTENSION OR DAYTIME PHONE IF DIFFERENT [REDACTED]  
HOME PHONE [REDACTED]

## SUSPECT DESCRIPTION

RACE ☐ CAUCASIAN ☐ INDIAN ☐ ORIENTAL ☐ OTHER ☐ BLACK ☐ HISPANIC ☐ MIDDLE EASTERN SEX ☐ DATE OF BIRTH ☐ AGE ☐

HEIGHT ☐ WEIGHT ☐ BUILD ☐ SLIM ☐ HEAVY ☐ MUSCULAR ☐ DEFORMITIES ☐ MEDIUM ☐ OBESE ☐ OTHER

HAIR ☐ BLACK ☐ RED ☐ GREY OR GREYING ☐ LONG ☐ SHOULDER ☐ STRINGY ☐ STRAIGHT ☐ BROWN ☐ BLOND ☐ BALD OR BALDING ☐ SHORT ☐ CREWCUT ☐ OILY ☐ CURLY

EYES ☐ BLUE ☐ GREEN ☐ LARGE ☐ FARSET ☐ SQUINTY ☐ BLOODSHOT ☐ GLASSES ☐ BROWN ☐ HAZEL ☐ SMALL ☐ CLOSESET ☐ CROSSED ☐ WATERY ☐ CONTACTS

FACE ☐ MUSTACHE ☐ GOATEE ☐ CLEAN SHAVEN ☐ ROUND ☐ EGG-SHAPED ☐ NECK ☐ LONG ☐ BEARD ☐ SIDEBURNS ☐ UNSHAVEN ☐ OVAL ☐ SQUARE ☐ SHORT

EYEBROWS ☐ THIN ☐ JOINED ☐ EARS ☐ LARGE ☐ PROTRUDING ☐ NOSE ☐ THIN ☐ BROKEN ☐ BUSHY ☐ OTHER ☐ SMALL ☐ LARGE ☐ PUG

MOUTH ☐ THIN LIPS ☐ DIMPLES ☐ TEETH ☐ EVEN ☐ BROKEN ☐ METAL ☐ BREATH ☐ SWEET ☐ ALCOHOL ☐ FULL LIPS ☐ OTHER ☐ SPACED ☐ MISSING ☐ FOUL ☐ SMOKERS

IN ☐ JUTTING ☐ DIMPLED ☐ SQUARE ☐ COMPLEXION ☐ PALE ☐ COFFEE ☐ SMOOTH ☐ ACNE ☐ FRECKLED ☐ RECEDING ☐ POINTED ☐ TANNED ☐ RED ☐ OILY ☐ POCKED

SCARS  
TATTOOS

☐ FACE  
☐ TORSO

☐ LEFT ARM HAND  
☐ RIGHT ARM HAND  
☐ OTHER

SPEECH

☐ SLURRED ☐ STUTTER ☐ RAPID ☐ SOFT ☐ REFINED ☐ OTHER  
☐ LISP ☐ CLEFT PALLET ☐ DRAWL ☐ MUMBLED ☐ ACCENT

CLOTHING

☐ NEAT ☐ CLEAN ☐ MASK DISGUISE  
☐ MUSED ☐ DIRTY

COLOR

☐ HAT  
☐ SCARF

☐ SHORT-SLEEVE SHIRT  
☐ LONG-SLEEVE SHIRT

☐ SHORTS  
☐ LONG PANTS

☐ BELT  
☐ GLOVES

☐ VEST  
☐ COAT

☐ SHOES  
☐ BAREFOOT

JEWELRY

☐ EARRING(S)  
☐ NECKLACES

☐ WATCH BRACELETS  
☐ RINGS

WEAPON

☐ AUTOMATIC ☐ SHOTGUN ☐ KNIFE ☐ DESCRIBE (LENGTH, FINISH, GAUGE, ETC.)  
☐ REVOLVER ☐ RIFLE ☐ OTHER

MODE OF  
TRAVEL

☐ FOOT ☐ VEHICLE TYPE  
☐ BICYCLE

DIRECTION OF TRAVEL

COLOR

MAKE

LICENSE PLATE

OTHER

OVER

SPD-007



# INCIDENT WITNESS STATEMENT

Police Department, Sedona AZ

DR#	20-8287
REPORTING OFFICER	EDGETON 84
SER. NO.	

SUSPECT NAME (IF KNOWN)

☐ SUSPECT IS KNOWN TO WITNESS

## POLICE DEPARTMENT USE ONLY—DO NOT WRITE ABOVE THIS LINE

WITNESS: COMPLETE THIS SIDE BY CHECKING ALL THE APPROPRIATE BOXES AND FILLING IN THE BLANKS. THEN TURN THE SHEET OVER AND WRITE YOUR ACCOUNT OF THE INCIDENT.

YOUR NAME	FIRST Dwight	MIDDLE HERMAN	LAST Jones	YOUR DATE OF BIRTH 9-20-66
ADDRESS	CITY Cottonwood	STATE AZ	ZIP CODE 86326	WORK PHONE - EXTENSION OR DAYTIME PHONE IF DIFFERENT [REDACTED]

## SUSPECT DESCRIPTION

HOME PHONE  
[REDACTED]

RACE	<input checked="" type="checkbox"/> CAUCASIAN <input type="checkbox"/> INDIAN <input type="checkbox"/> HISPANIC	<input type="checkbox"/> ORIENTAL <input type="checkbox"/> MIDDLE EASTERN	<input type="checkbox"/> OTHER	SEX M	DATE OF BIRTH	AGE			
HEIGHT 5'11" ?	WEIGHT 190	BUILD	<input type="checkbox"/> SLIM <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> HEAVY <input type="checkbox"/> OBESE	<input type="checkbox"/> MUSCULAR <input type="checkbox"/> OTHER	DEFORMITIES				
HAIR	<input checked="" type="checkbox"/> BLACK <input checked="" type="checkbox"/> BROWN <input type="checkbox"/> RED <input type="checkbox"/> BLOND	<input type="checkbox"/> GREY OR GREYING <input type="checkbox"/> BALD OR BALDING	<input type="checkbox"/> LONG <input checked="" type="checkbox"/> SHORT	<input type="checkbox"/> SHOULDER <input type="checkbox"/> CREWCUT	<input type="checkbox"/> STRINGY <input type="checkbox"/> OILY	<input type="checkbox"/> STRAIGHT <input type="checkbox"/> CURLY			
EYES	<input type="checkbox"/> BLUE <input type="checkbox"/> BROWN	<input type="checkbox"/> GREEN <input type="checkbox"/> HAZEL	<input type="checkbox"/> LARGE <input type="checkbox"/> SMALL	<input type="checkbox"/> FARSET <input type="checkbox"/> CLOSESET	<input type="checkbox"/> SQUINTY <input type="checkbox"/> CROSSED	<input type="checkbox"/> BLOODSHOT <input type="checkbox"/> WATERY			
FACE	<input checked="" type="checkbox"/> MUSTACHE <input checked="" type="checkbox"/> BEARD	<input type="checkbox"/> GOATEE <input type="checkbox"/> SIDEBURNS	<input type="checkbox"/> CLEAN SHAVEN <input type="checkbox"/> UNSHAVEN	<input type="checkbox"/> ROUND <input type="checkbox"/> OVAL	<input type="checkbox"/> EGG-SHAPED <input type="checkbox"/> SQUARE	NECK <input type="checkbox"/> LONG <input type="checkbox"/> SHORT			
EYEBROWS	<input type="checkbox"/> THIN <input type="checkbox"/> BUSHY	<input type="checkbox"/> JOINED <input type="checkbox"/> OTHER	EARS	<input type="checkbox"/> LARGE <input type="checkbox"/> SMALL	<input type="checkbox"/> PROTRUDING	NOSE	<input type="checkbox"/> THIN <input type="checkbox"/> LARGE	<input type="checkbox"/> BROKEN <input type="checkbox"/> PUG	
MOUTH	<input type="checkbox"/> THIN LIPS <input type="checkbox"/> FULL LIPS	<input type="checkbox"/> DIMPLES <input type="checkbox"/> OTHER	TEETH	<input type="checkbox"/> EVEN <input type="checkbox"/> SPACED	<input type="checkbox"/> BROKEN <input type="checkbox"/> MISSING	<input type="checkbox"/> METAL	BREATH	<input type="checkbox"/> SWEET <input type="checkbox"/> FOUL	<input type="checkbox"/> ALCOHOL <input type="checkbox"/> SMOKERS
N	<input type="checkbox"/> JUTTING <input type="checkbox"/> RECEDING	<input type="checkbox"/> DIMPLED <input type="checkbox"/> POINTED	<input type="checkbox"/> SQUARE	COMPLEXION	<input type="checkbox"/> PALE <input type="checkbox"/> TANNED	<input type="checkbox"/> COFFEE <input type="checkbox"/> RED	<input type="checkbox"/> SMOOTH <input type="checkbox"/> OILY	<input type="checkbox"/> ACNE <input type="checkbox"/> POCKED	<input type="checkbox"/> FRECKLED

SCARS  
TATTOOS

☐ FACE  
☐ TORSO

☐ LEFT ARM HAND  
☐ RIGHT ARM HAND

☐ OTHER

SPEECH

<input type="checkbox"/> SLURRED <input type="checkbox"/> LISP	<input type="checkbox"/> STUTTER <input type="checkbox"/> CLEFT PALLET	<input type="checkbox"/> RAPID <input type="checkbox"/> DRAWL	<input type="checkbox"/> SOFT <input type="checkbox"/> MUMBLED	<input type="checkbox"/> REFINED <input type="checkbox"/> ACCENT	<input type="checkbox"/> OTHER
---	---	--	---	---	--------------------------------

CLOTHING

<input type="checkbox"/> NEAT <input type="checkbox"/> MUSSSED	<input type="checkbox"/> CLEAN <input type="checkbox"/> DIRTY	<input type="checkbox"/> MASK DISGUISE
---	--	--

COLOR

☐ HAT  
☐ SCARF

☐ SHORT-SLEEVE SHIRT  
☐ LONG-SLEEVE SHIRT

☐ SHORTS  
☐ LONG PANTS

☐ BELT  
☐ GLOVES

☐ VEST  
☐ COAT

☐ SHOES  
☐ BAREFOOT

JEWELRY

☐ EARRING(S)  
☐ NECKLACES

☐ WATCH BRACELETS  
☐ RINGS

WEAPON

☐ AUTOMATIC  
☐ REVOLVER

<input type="checkbox"/> SHOTGUN <input type="checkbox"/> RIFLE	<input type="checkbox"/> KNIFE <input checked="" type="checkbox"/> OTHER
--	---

DESCRIBE (LENGTH, FINISH, CALIBER, ETC.)

BAT (METAL)

MODE OF  
TRAVEL

☐ FOOT  
☐ BICYCLE

<input type="checkbox"/> VEHICLE TYPE
---------------------------------------

DIRECTION OF TRAVEL

COLOR

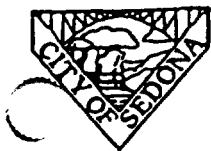
MAKE

LICENSE PLATE

OTHER

OVER





# SEDONA POLICE DEPARTMENT INCIDENT WITNESS STATEMENT

DR#	
REPORTING OFFICER	SER. NO.

SUSPECT NAME (IF KNOWN)

☒ SUSPECT IS KNOWN TO WITNESS**POLICE DEPARTMENT USE ONLY—DO NOT WRITE ABOVE THIS LINE**

WITNESS: COMPLETE THIS SIDE BY CHECKING ALL THE APPROPRIATE BOXES AND FILLING IN THE BLANKS. THEN TURN THE SHEET OVER AND WRITE YOUR ACCOUNT OF THE INCIDENT.

YOUR NAME		FIRST	MIDDLE	LAST	YOUR DATE OF BIRTH	
Larry		L	OSHINER		9-22-95	
ADDRESS		CITY	STATE	ZIP CODE	WORK PHONE - EXTENSION OR DAYTIME PHONE IF DIFFERENT	
770 Sunrise Lane, Sedona		80316			204-5539	
SUSPECT DESCRIPTION					HOME PHONE	
					292-3529	
RACE		<input type="checkbox"/> CAUCASIAN <input type="checkbox"/> INDIAN <input type="checkbox"/> ORIENTAL <input type="checkbox"/> OTHER			SEX	DATE OF BIRTH
<input checked="" type="checkbox"/> BLACK <input type="checkbox"/> HISPANIC		<input type="checkbox"/> MIDDLE EASTERN				UAK
HEIGHT	WEIGHT	BUILD		<input type="checkbox"/> SLIM <input checked="" type="checkbox"/> MEDIUM <input type="checkbox"/> HEAVY <input type="checkbox"/> OBESE	<input checked="" type="checkbox"/> MUSCULAR <input type="checkbox"/> OTHER	DEFORMITIES
5'10"	190					
HAIR		<input checked="" type="checkbox"/> BLACK <input type="checkbox"/> BROWN <input type="checkbox"/> RED <input type="checkbox"/> BLOND <input type="checkbox"/> GREY OR GREYING <input type="checkbox"/> BALD OR BALDING		<input type="checkbox"/> LONG <input type="checkbox"/> SHORT	<input type="checkbox"/> SHOULDER <input type="checkbox"/> CREWCUT <input type="checkbox"/> STRINGY <input type="checkbox"/> OILY	<input type="checkbox"/> STRAIGHT <input type="checkbox"/> CURLY
EYES		<input type="checkbox"/> BLUE <input checked="" type="checkbox"/> BROWN <input type="checkbox"/> GREEN <input type="checkbox"/> HAZEL		<input type="checkbox"/> LARGE <input type="checkbox"/> SMALL <input type="checkbox"/> FARSET <input type="checkbox"/> CLOSESET <input type="checkbox"/> SQUINTY <input type="checkbox"/> CROSSED	<input type="checkbox"/> BLOODSHOT <input type="checkbox"/> WATERY	<input type="checkbox"/> GLASSES <input type="checkbox"/> CONTACTS
FACE		<input type="checkbox"/> MUSTACHE <input type="checkbox"/> GOATEE <input type="checkbox"/> CLEAN SHAVEN <input type="checkbox"/> UNSHAVEN <input type="checkbox"/> BEARD <input type="checkbox"/> SIDEBURNS		<input type="checkbox"/> ROUND <input type="checkbox"/> EGG-SHAPED <input type="checkbox"/> OVAL <input type="checkbox"/> SQUARE	NECK <input type="checkbox"/> LONG <input type="checkbox"/> SHORT	
EYEBROWS		<input type="checkbox"/> THIN <input type="checkbox"/> BUSHY <input type="checkbox"/> JOINED <input type="checkbox"/> OTHER		EARS <input type="checkbox"/> LARGE <input type="checkbox"/> SMALL <input type="checkbox"/> PROTRUDING	NOSE <input type="checkbox"/> THIN <input type="checkbox"/> LARGE <input type="checkbox"/> BROKEN <input type="checkbox"/> PUG	
MOUTH		<input type="checkbox"/> THIN LIPS <input type="checkbox"/> DIMPLES <input type="checkbox"/> FULL LIPS <input type="checkbox"/> OTHER		TEETH <input type="checkbox"/> EVEN <input type="checkbox"/> SPACED <input type="checkbox"/> BROKEN <input type="checkbox"/> MISSING <input type="checkbox"/> METAL	BREATH <input type="checkbox"/> SWEET <input type="checkbox"/> FOUL <input type="checkbox"/> ALCOHOL <input type="checkbox"/> SMOKERS	
HIN		<input checked="" type="checkbox"/> JUTTING <input type="checkbox"/> RECEDING <input type="checkbox"/> DIMPLED <input type="checkbox"/> POINTED <input type="checkbox"/> SQUARE		COMPLEXION <input type="checkbox"/> PALE <input type="checkbox"/> TANNED <input type="checkbox"/> COFFEE <input type="checkbox"/> RED <input type="checkbox"/> SMOOTH <input type="checkbox"/> OILY <input type="checkbox"/> ACNE <input type="checkbox"/> POCKED <input type="checkbox"/> FRECKLED		
SCARS		<input type="checkbox"/> FACE <input type="checkbox"/> TORSO				
TATTOOS		UAK				
		<input type="checkbox"/> LEFT ARM HAND <input type="checkbox"/> RIGHT ARM HAND <input type="checkbox"/> OTHER				
SPEECH		<input type="checkbox"/> SLURRED <input type="checkbox"/> LISP <input type="checkbox"/> STUTTER <input type="checkbox"/> CLEFT PALLET <input type="checkbox"/> RAPID <input type="checkbox"/> DRAWL <input type="checkbox"/> SOFT <input type="checkbox"/> MUMBLED <input type="checkbox"/> REFINED <input type="checkbox"/> ACCENT <input type="checkbox"/> OTHER				
CLOTHING		<input type="checkbox"/> NEAT <input type="checkbox"/> MUZZED <input type="checkbox"/> CLEAN <input type="checkbox"/> DIRTY <input type="checkbox"/> MASK DISGUISE				
		COLOR				
		<input type="checkbox"/> HAT <input type="checkbox"/> SCARF				
		<input type="checkbox"/> SHORT-SLEEVE SHIRT <input type="checkbox"/> LONG-SLEEVE SHIRT				
		<input type="checkbox"/> SHORTS <input type="checkbox"/> LONG PANTS				
		<input type="checkbox"/> BELT <input type="checkbox"/> GLOVES				
		<input type="checkbox"/> VEST <input type="checkbox"/> COAT				
		<input type="checkbox"/> SHOES <input type="checkbox"/> BAREFOOT				
JEWELRY		<input type="checkbox"/> EARRING(S) <input type="checkbox"/> NECKLACES <input type="checkbox"/> WATCH BRACELETS <input type="checkbox"/> RINGS				
WEAPON		<input type="checkbox"/> AUTOMATIC <input type="checkbox"/> REVOLVER <input type="checkbox"/> SHOTGUN <input type="checkbox"/> RIFLE <input type="checkbox"/> KNIFE <input type="checkbox"/> OTHER				
		DESCRIBE (LENGTH, FINISH, CALIBER, ETC.)				
MODE OF TRAVEL		<input type="checkbox"/> FOOT <input type="checkbox"/> BICYCLE <input type="checkbox"/> VEHICLE TYPE				
		DIRECTION OF TRAVEL				
COLOR		MAKE		LICENSE PLATE		OTHER

OVER



# SEDONA POLICE DEPARTMENT INCIDENT WITNESS STATEMENT

DR#

REPORTING OFFICER

SER. NO.

SUSPECT NAME (IF KNOWN)

☐ SUSPECT IS KNOWN TO WITNESS**POLICE DEPARTMENT USE ONLY—DO NOT WRITE ABOVE THIS LINE****WITNESS: COMPLETE THIS SIDE BY CHECKING ALL THE APPROPRIATE BOXES AND FILLING IN THE BLANKS. THEN TURN THE SHEET OVER AND WRITE YOUR ACCOUNT OF THE INCIDENT.**

YOUR NAME

FIRST

MIDDLE

LAST

YOUR DATE OF BIRTH

ADDRESS

CITY

STATE

ZIP CODE

WORK PHONE - EXTENSION OR DAYTIME PHONE IF DIFFERENT

**SUSPECT DESCRIPTION**

HOME PHONE

RACE

☐ CAUCASIAN  
☐ BLACK☐ INDIAN  
☐ HISPANIC☐ ORIENTAL  
☐ MIDDLE EASTERN☐ OTHER

SEX

DATE OF BIRTH

AGE

HEIGHT

WEIGHT

BUILD

☐ SLIM  
☐ MEDIUM☐ HEAVY  
☐ OBESE☐ MUSCULAR  
☐ OTHER

DEFORMITIES

HAIR

☐ BLACK  
☒ BROWN☐ RED  
☐ BLOND☐ GREY OR GREYING  
☒ BALD OR BALDING☐ LONG  
☐ SHORT☐ SHOULDER  
☐ CREWCUT☐ STRINGY  
☐ OILY☐ STRAIGHT  
☐ CURLY

EYES

☐ BLUE  
☐ BROWN☐ GREEN  
☐ HAZEL☐ LARGE  
☐ SMALL☐ FARSET  
☐ CLOSESET☐ SQUINTY  
☐ CROSSED☐ BLOODSHOT  
☐ WATERY☐ GLASSES  
☐ CONTACTS

FACE

☐ MUSTACHE  
☐ BEARD☐ GOATEE  
☐ SIDEBURNS☐ CLEAN SHAVEN  
☐ UNSHAVEN☐ ROUND  
☐ OVAL☐ EGG-SHAPED  
☐ SQUARE

NECK

☐ LONG  
☐ SHORT

EYEBROWS

☐ THIN  
☐ BUSHY☐ JOINED  
☐ OTHER

EARS

☐ LARGE  
☐ SMALL☐ PROTRUDING

NOSE

☐ THIN  
☐ LARGE☐ BROKEN  
☐ PUG

MOUTH

☐ THIN LIPS  
☐ FULL LIPS☐ DIMPLES  
☐ OTHER

TEETH

☐ EVEN  
☐ SPACED☐ BROKEN  
☐ MISSING☐ METAL

BREATH

☐ SWEET  
☐ FOUL☐ ALCOHOL  
☐ SMOKERS

HIN

☐ JUTTING  
☐ RECEDING☐ DIMPLED  
☐ POINTED☐ SQUARE

COMPLEXION

☐ PALE  
☐ TANNED☐ COFFEE  
☐ RED☐ SMOOTH  
☐ OILY☐ ACNE  
☐ POCKED☐ FRECKLED

SCARS

TATTOOS

☐ FACE  
☐ TORSO☐ LEFT ARM HAND  
☐ RIGHT ARM HAND☐ OTHER

SPEECH

☐ SLURRED  
☐ LISP☐ STUTTER  
☐ CLEFT PALLET☐ RAPID  
☐ DRAWL☐ SOFT  
☐ MUMBLED☐ REFINED  
☐ ACCENT☐ OTHER

CLOTHING

☐ NEAT  
☐ MUSSUED☐ CLEAN  
☐ DIRTY☐ MASK DISGUISE

COLOR

☐ HAT  
☐ SCARF☐ SHORT-SLEEVE SHIRT  
☐ LONG-SLEEVE SHIRT☐ SHORTS  
☐ LONG PANTS☐ BELT  
☐ GLOVES☐ VEST  
☐ COAT☐ SHOES  
☐ BAREFOOT

JEWELRY

☐ EARRING(S)  
☐ NECKLACES☐ WATCH BRACELETS  
☐ RINGS

WEAPON

☐ AUTOMATIC  
☐ REVOLVER☐ SHOTGUN  
☐ RIFLE☐ KNIFE  
☐ OTHER

DESCRIBE (LENGTH, FINISH, CALIBER, ETC.)

MODE OF  
TRAVEL☐ FOOT  
☐ BICYCLE☐ VEHICLE TYPE

DIRECTION OF TRAVEL

COLOR

MAKE

LICENSE PLATE

OTHER

OVER

SPD-007



# SEDONA POLICE DEPARTMENT INCIDENT WITNESS STATEMENT

DR#

REPORTING OFFICER

SER. NO.

SUSPECT NAME (IF KNOWN)

☒ SUSPECT IS KNOWN TO WITNESS**POLICE DEPARTMENT USE ONLY—DO NOT WRITE ABOVE THIS LINE**

WITNESS: COMPLETE THIS SIDE BY CHECKING ALL THE APPROPRIATE BOXES AND FILLING IN THE BLANKS. THEN TURN THE SHEET OVER AND WRITE YOUR ACCOUNT OF THE INCIDENT.

YOUR NAME	FIRST	MIDDLE	LAST	YOUR DATE OF BIRTH
Larry	L	BRUNSON		8-22-49
ADDRESS	CITY	STATE	ZIP CODE	WORK PHONE - EXTENSION OR DAYTIME PHONE IF DIFFERENT
770	Sunshine	Lane, Sedona	86316	204-5839

**SUSPECT DESCRIPTION**HOME PHONE  
292-3529

RACE	<input type="checkbox"/> CAUCASIAN <input checked="" type="checkbox"/> BLACK	<input type="checkbox"/> INDIAN <input type="checkbox"/> HISPANIC	<input type="checkbox"/> ORIENTAL <input type="checkbox"/> MIDDLE EASTERN	<input type="checkbox"/> OTHER	SEX	DATE OF BIRTH	AGE	
HEIGHT	5'10"	WEIGHT	190	BUILD	<input type="checkbox"/> SLIM <input checked="" type="checkbox"/> MEDIUM	<input type="checkbox"/> HEAVY <input type="checkbox"/> OBESE	<input checked="" type="checkbox"/> MUSCULAR <input type="checkbox"/> OTHER	DEFORMITIES
HAIR	<input checked="" type="checkbox"/> BLACK <input type="checkbox"/> BROWN	<input type="checkbox"/> RED <input type="checkbox"/> BLOND	<input type="checkbox"/> GREY OR GREYING <input type="checkbox"/> BALD OR BALDING	<input type="checkbox"/> LONG <input type="checkbox"/> SHORT	<input type="checkbox"/> SHOULDER <input type="checkbox"/> CREWCUT	<input type="checkbox"/> STRINGY <input type="checkbox"/> OILY	<input type="checkbox"/> STRAIGHT <input type="checkbox"/> CURLY	
EYES	<input type="checkbox"/> BLUE <input checked="" type="checkbox"/> BROWN	<input type="checkbox"/> GREEN <input type="checkbox"/> HAZEL	<input type="checkbox"/> LARGE <input type="checkbox"/> SMALL	<input type="checkbox"/> FARSET <input type="checkbox"/> CLOSESET	<input type="checkbox"/> SQUINTY <input type="checkbox"/> CROSSED	<input type="checkbox"/> BLOODSHOT <input type="checkbox"/> WATERY	<input type="checkbox"/> GLASSES <input type="checkbox"/> CONTACTS	
FACE	<input type="checkbox"/> MUSTACHE <input type="checkbox"/> BEARD	<input type="checkbox"/> GOATEE <input type="checkbox"/> SIDEBURNS	<input type="checkbox"/> CLEAN SHAVEN <input type="checkbox"/> UNSHAVEN	<input type="checkbox"/> ROUND <input type="checkbox"/> OVAL	<input type="checkbox"/> EGG-SHAPED <input type="checkbox"/> SQUARE	NECK	<input type="checkbox"/> LONG <input type="checkbox"/> SHORT	
EYEBROWS	<input type="checkbox"/> THIN <input type="checkbox"/> BUSHY	<input type="checkbox"/> JOINED <input type="checkbox"/> OTHER	EARS	<input type="checkbox"/> LARGE <input type="checkbox"/> SMALL	<input type="checkbox"/> PROTRUDING	NOSE	<input type="checkbox"/> THIN <input type="checkbox"/> LARGE <input type="checkbox"/> BROKEN <input type="checkbox"/> PUG	
MOUTH	<input type="checkbox"/> THIN LIPS <input type="checkbox"/> FULL LIPS	<input type="checkbox"/> DIMPLES <input type="checkbox"/> OTHER	TEETH	<input type="checkbox"/> EVEN <input type="checkbox"/> SPACED	<input type="checkbox"/> BROKEN <input type="checkbox"/> MISSING	BREATH	<input type="checkbox"/> SWEET <input type="checkbox"/> FOUL <input type="checkbox"/> ALCOHOL <input type="checkbox"/> SMOKERS	
CHIN	<input checked="" type="checkbox"/> JUTTING <input type="checkbox"/> RECEDING	<input type="checkbox"/> DIMPLED <input type="checkbox"/> POINTED	<input type="checkbox"/> SQUARE	COMPLEXION	<input type="checkbox"/> PALE <input type="checkbox"/> TANNED	<input type="checkbox"/> COFFEE <input type="checkbox"/> RED	<input type="checkbox"/> SMOOTH <input type="checkbox"/> OILY <input type="checkbox"/> ACNE <input type="checkbox"/> POCKED <input type="checkbox"/> FRECKLED	

SCARS  
TATTOOS☐ FACE  
☐ TORSO☐ LEFT ARM HAND  
☐ RIGHT ARM HAND☐ OTHER

SPEECH

☐ SLURRED  
☐ LISP  
☐ STUTTER  
☐ CLEFT PALLET  
☐ RAPID  
☐ DRAWL  
☐ SOFT  
☐ MUMBLED  
☐ REFINED  
☐ ACCENT  
☐ OTHER

CLOTHING

☐ NEAT  
☐ MUSSUED  
☐ CLEAN  
☐ DIRTY  
☐ MASK DISGUISE

COLOR

☐ HAT  
☐ SCARF☐ SHORT-SLEEVE SHIRT  
☐ LONG-SLEEVE SHIRT☐ SHORTS  
☐ LONG PANTS☐ BELT  
☐ GLOVES☐ VEST  
☐ COAT☐ SHOES  
☐ BAREFOOT

JEWELRY

☐ EARRING(S)  
☐ NECKLACES☐ WATCH BRACELETS  
☐ RINGS

WEAPON

☐ AUTOMATIC  
☐ REVOLVER  
☐ SHOTGUN  
☐ RIFLE  
☐ KNIFE  
☐ OTHER

DESCRIBE (LENGTH, FINISH, CALIBER, ETC.)

MODE OF TRAVEL

☐ FOOT  
☐ BICYCLE  
☐ VEHICLE TYPE

DIRECTION OF TRAVEL

COLOR

MAKE

LICENSE PLATE

OTHER

OVER

## NARRATIVE

This incident is one of many incidents that has escalated to this point. The FAA & The Sebra Avingi Authority wants something to happen before they get involved. On a daily basis the employees and owner of Skydance has done something to my company. We have spoken directly to both pilots about landing in front of our hangar. We told them to stop. There is a helicopter pad available to use, they need to use it.

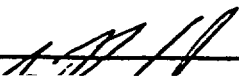
AT approx. 5:00 P.M. on 9/24/00 I was driving up to my hangar with (2) people when the Skydance helicopter landed in front of my vehicle, partially obstructing the road. Dust, debris, blew from the 120mph rotor wash. which caused dirt, to fill our hangar also. My contract A&P was painting a wing which he had spent 9000's repairing. The dust & dirt ruined his work. IT cost my company 10 hrs @ 22<sup>00</sup> / hr. To redo the wing. The A&P (James Roobuck) did his best to wave the helicopter off, but they as always were discountiously going to make a prohibited landing. Just to disturb us. They have been asked by myself & Airport Authority to stop, but refuse to do so. I have on file many other incidents to document their actions.

## NARRATIVE

ON 9-29-00 AT APROX. 5PM I WAS MAKING REPAIRS TO A WING WHICH WAS RESTING ON TABLES. I WAS USING SPRAY EQUIPMENT. WINDS WERE CALM. THE HANGAR DOOR WAS FULLY OPEN. I NOTICED SKY DANCES' HELICOPTER APPROACHING, REALIZED THEY WERE ABOUT TO MAKE A LANDAR ON THE RAMP, WHICH IS PROHIBITED. I TRIED TO WAVE THE HELICOPTER (PILOTED BY MIKE METZEL) OFF, BUT WAS IGNORED. I TRIED TO GET THE ATTENTION OF DWAIN JONES (THE MECHANIC) WHO IGNORED ME, TURNED HIS BACK & CONTINUED TO WICTION THE HELICOPTER TO LAND. THIS CAUSED A CLOUD OF DIRT TO BLAST THRU MY WORKPLACE, KNOCKED OVER SEVERAL CARTONS OF PACKING MATERIALS & WOULD HAVE BLOWN THE WING OFF OF THE TABLES HAD I BEEN NEARER THE DOOR. THEY HAVE A TOW BAR & HAVE NO REASON TO PULL COLLECTIVE PITCH ON A COMMUNAL RAMP. I KNOW THIS FROM 20 YRS EXPERIENCE AS A LICENSED HELICOPTER MECHANIC.

\* DWIGHT?

J. ROEBUCK



# SEDONA POLICE DEPARTMENT

## Supplement

NATURE OF OCCURRENCE Disorderly conduct	DATE OF THIS SUPPLEMENT 092900	DR NUMBER 20-8287	PAGE NO. 1
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Witness Dave Tate 290 Shrine Rd, Sedona Az 86339 ph 520-282-7768

On 09\29\00 at about 1655 hrs I was sent to the Sky Dance helicopter maintenance hangar, for a report of a man with a baseball bat who was threatening to strike the helicopter. On my arrival officers Powers and Mellema were talking to several employee's of Sky Dance helicopter. I went and talked to the suspect Jim Roebuck who was in the Red Rock Bi Plane hangar. Roebuck appeared upset and did not talk to me. He only said the pilot should not have landed. When I asked him about hitting a piece of wood at the helicopter, and commenting that it was not very smart, he said your right. I took that to mean he acknowledged his actions were wrong.

Then the owner of Red Rock Bi planes showed up Brunner said he was told by Roebuck that, Roebuck was repainting a wing and had the hangar doors open. When the helicopter approached, Roebuck attempted to wave of the pilot but the pilot continued to land. The rotor wash from the helicopter blew dust and debris about the Bi plane hangar and into the wet paint on the wing. Roebuck then took a small piece of wood 1 1/2 in x 8 in and hit it with a bat toward the main rotor blades of the helicopter.

At that point words were exchanged between Roebuck and the Sky Dance employee's reportedly threats were changed by both sides.

Brunner said he arrived later and asked the employee's at Sky Dance " what the fuck was going on." Brunner said the three employee's of Sky Dance came after him and threatened to " kick his ass." Brunner said this would have never happened if the pilot had not landed in restricted space.

I then reviewed the witness statements of the three Sky Dance Employee's. Miletzal the pilot said he was directed to land in front of the Sky Dance Hangar by a crew member. He was unaware of the wood being hit at the air craft until after he had shut the helicopter down and noticed the wood on the ground and at time an altercation was already going on.

Jones said he saw Roebuck come out and swat a piece of wood into the rotor blades as they were winding down. Jones said he confronted Roebuck from the hangar area and Roebuck threatened him with the bat. Jones said he then called the police.

Harris said he also saw Roebuck exit the Bi Plane hangar with the bat and swat a piece of wood at the helicopter the wood piece passed through the moving blades. Harris said Jones approached Roebuck. Roebuck threatened Jones with the bat. The two were separated by airport personal.

Tate said he saw part of the incident from the office window. He said he saw the subjects going at each other and the incident looked heated.

There was an additional witness who saw the incident next door to Sky Dance helicopter. But he was gone when got there.

INVESTIGATION CONTINUED	UNFOUNDED	CLEARED			INDEXED	CLERK
		ARREST <input type="checkbox"/>	EXCEPTIONAL <input checked="" type="checkbox"/>	JUVENILE <input type="checkbox"/>		
REVIEWING SUPERVISOR	SER. NO.	REPORTING OFFICER <i>Edgerton</i>	SER. NO. <i>84</i>	UCR SCORED	CLERK	

# SEDONA POLICE DEPARTMENT

## Supplement

<b>NATURE OF OCCURRENCE</b> Disorderly conduct	<b>DATE OF THIS SUPPLEMENT</b> 092900	<b>DR NUMBER</b> 20-8287	<b>PAGE NO.</b> 2
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At this time prosecution at the local level is not wanted. Both owners are contacting the FAA to settle this matter.  
 Case cleared exceptional.

INVESTIGATION CONTINUED	UNFOUNDED	CLEARED			INDEXED	CLERK
		ARREST <input type="checkbox"/>	EXCEPTIONAL <input checked="" type="checkbox"/>	JUVENILE <input type="checkbox"/>		
REVIEWING SUPERVISOR	SER. NO.	REPORTING OFFICER <i>E. E. E. E.</i>		SER. NO. <i>84</i>	UCR SCORED	CLERK

C





## Sedona Airport Administration

235 Air Terminal Drive, Suite 1 • Sedona, Arizona 86336  
520-282-4487 • Fax: 520-204-1292

### Minutes of Special Meeting

Called October 9, 2000 at 7:30 P.M. by All Board Members being present as per the Bylaws

Agenda Item #1 - Call to Order: President Webster convened the meeting 7:30 p.m.

Agenda Item #2 - Report: Special meeting called to address altercation between Red Rock Tours and Skydance Helicopter employees on 9/29/2000. Incident reports on file.

Agenda Item #3 - Director Pratt made a motion to evict Red Rock Biplane Tours from the airport with a three day notice due to actions taken by that companies employees in the interest of public safety.

Motion seconded by: Director Mitchell

Vote taken / Results: 6 Yea 1 Nea Motion adopted

Agenda Item #4 - Director Bieber made a motion to notify Skydance Helicopters that their lease will not be renewed upon the current expiration date. Due to the incident on 9/29/00 and other occasions. This action is required in the interest of public safety. Any further violations before the lease expiration date will result in immediate lease cancellation.

Motion seconded by: Director Pratt

Vote taken / Results: 7 yea (Unanimous)

Agenda Item # 5 - Director Pratt made a motion to require all helicopter operations be done from the standard helipads at the southwest portion of the airport. Skydance to be notified to move operations ASAP or within a reasonable time period. No helicopter movements off main taxiway areas with exceptions to be requested and approved in writing in advance.

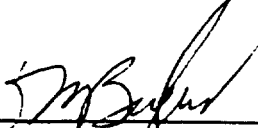
Motion seconded by: Director Bryant

Vote taken / Results: 7 Yea (unanimous)

Agenda Item #6 - Director Bryant made a motion to adjourn.

Meeting adjourned by President Webster

Certified as accurate and correct

  
\_\_\_\_\_  
O.M. Bryant, Secretary-Treasurer,  
Board of Directors  
Sedona Airport Administration

DATE 10/10/00

D



## Sedona Airport Administration

235 Air Terminal Drive, Suite 1 • Sedona, Arizona 86336  
520-282-4487 • Fax: 520-204-1292

October 10, 2000

Mr. Michael Cain  
Skydance Helicopters  
1225 Airport Road #5  
Sedona, AZ. 86336

Dear Mr. Cain:

All helicopter operations will be conducted from the standard helicopter pads located on the southwest portion of the airport. You are directed to cease passenger operations from the area directly outside the Com. Ops. Building. You are permitted to use the A2 taxiway holding area to land and depart for the purposes of tugging the helicopters to and from your hangar only with no prolonged helicopter parking.

No helicopter operations are permitted in the hangar areas.

We will allow a reasonable time to change your daily operating procedures not to exceed 15 days.

Very Truly,

Edward J. McCall, A.A.E.  
General Manager  
Sedona Airport



## Sedona Airport Administration

235 Air Terminal Drive, Suite 1 • Sedona, Arizona 86336  
520-282-4487 • Fax: 520-204-1292

October 10, 2000

Mr. Michael Cain  
Skydance Helicopters  
1225 Airport Road #5  
Sedona, AZ. 86336

Dear Mr. Cain:

Be advised that we are not renewing your existing leases after the expiration of your current lease period. The lease will not be renewed for specific violations of provisions as enumerated below. You will be required to have any and all equipment, aircraft, signs and/or material owned by your business's and any subsidiary businesses under you control removed from Airport property by the end of the last day of your lease.

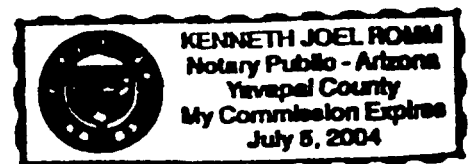
Specifically you are charged with willful violation of lease sections: 2.2.1., 2.2.4., 5.1., 5.7. and 5.9. on September 29, 2000 and previous occasions.

Your behavior and the behavior of employees under your control resulted in the potential for damage to property and the possibility of injury or death to innocent bystanders.

You have received numerous verbal and written warnings about your actions and the actions of your employees on and about the Sedona Airport, none of which have resulted in appropriately modified behavior. The Sedona Airport Administration cannot and will not tolerate behavior that threatens bodily injury or harm to any Airport users.

Very Truly,

Edward J. McCall, A.A.E.  
General Manager  
Sedona Airport





## Sedona Airport Administration

235 Air Terminal Drive, Suite 1 • Sedona, Arizona 86336  
520-282-4487 • Fax: 520-204-1292

October 10, 2000

Mr. Michael Cain  
Skydance Helicopters  
1225 Airport Road #5  
Sedona, AZ. 86336

Dear Mr. Cain:

Be advised that we are not renewing your existing leases after the expiration of your current lease period. The lease will not be renewed for specific violations of provisions as enumerated below. You will be required to have any and all equipment, aircraft, signs and/or material owned by your business's and any subsidiary businesses under your control removed from Airport property by the end of the last day of your lease.

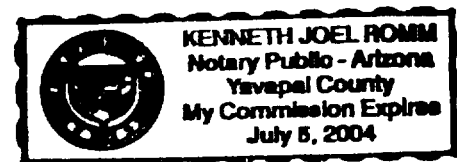
Specifically you are charged with willful violation of lease sections: 2.2.1., 2.2.4., 5.1., 5.7. and 5.9. on September 29, 2000 and previous occasions.

Your behavior and the behavior of employees under your control resulted in the potential for damage to property and the possibility of injury or death to innocent bystanders.

You have received numerous verbal and written warnings about your actions and the actions of your employees on and about the Sedona Airport, none of which have resulted in appropriately modified behavior. The Sedona Airport Administration cannot and will not tolerate behavior that threatens bodily injury or harm to any Airport users.

Very Truly,

Edward J. McCall, A.A.E.  
General Manager  
Sedona Airport



E



## Sedona Airport Administration

235 Air Terminal Drive, Suite 1 • Sedona, Arizona 86336  
520-282-4487 • Fax: 520-204-1292

October 10, 2000

Mr. Larry Brunner  
Dakota Territories Inc.  
DBA / Red Rock Biplane Tours  
Red Rock Aero Services  
Solid Edge Aviation  
770 Sunshine Lane  
Sedona, AZ. 86336

Dear Mr. Brunner:

Be advised that we are terminating your leases and all supplementary agreements that exist with the Sedona Airport Administration effective immediately. The leases being terminated for violation of specific lease provisions as enumerated below. You are required to have any and all equipment, aircraft, signs and/or material owned by your companies and any subsidiary businesses under your control removed from Airport property by 5 P.M. on Friday, October 13, 2000.

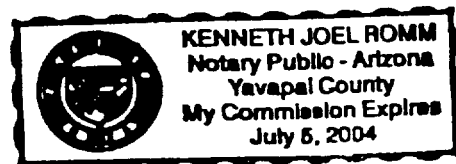
Specifically you are charged with willful violation of lease sections: 2.2.1., 2.2.4., 5.1., 5.7. and 5.9. on September 29, 2000.

Your behavior and the behavior of employees under your control or by contract resulted in the potential for damage to property and the possibility of injury or death to innocent bystanders.

You have received numerous verbal and written warnings about your actions and actions of your employees on and about the Sedona Airport, none of which have resulted in appropriately modified behavior. The Sedona Airport Administration cannot and will not tolerate behavior that threatens bodily injury or harm to any Airport users.

Very Truly,

Edward J. McCall, A.A.E.  
General Manager  
Sedona Airport



F



## **THE LAW OFFICE OF STEVEN R. OWENS, P.C.**

**Steven R. Owens, Attorney at Law**  
*Admitted to practice before the courts of Arizona and Colorado*

25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804  
Telephone (520) 284-0899  
Mobile Telephone (520) 300-1211  
Telecopier (520) 284-9885  
E-mail [owens@sedona.net](mailto:owens@sedona.net)

October 20, 2000

***VIA CONFIRMED FACSIMILE (204-1292) AND U.S. MAIL***

Edward J. McCall, General Manager  
SEDONA AIRPORT ADMINISTRATION  
235 Air Terminal Drive, Suite 1  
Sedona, Arizona 86336

**Re: Skydance Helicopters**

Dear Mr. McCall,

This officer represents Skydance Helicopters, Inc., doing business in Arizona as Skydance Operations, Inc. In this capacity, I have been provided with information and your correspondence regarding the September 29, 2000, assault upon my client's employees and equipment by another tenant at the airport. I have been asked by my client to respond to your letter of October 19, 2000, and am writing today for that purpose.

In short, my client will not sign the **TERMINATION OF LEASE AND REVOCABLE LICENSE** for many reasons, not the least of which is that its execution would require it to "admit" to various falsehoods set forth in that document which have no basis whatsoever in fact.

Moreover, by this letter my client rejects your entire characterization of this incident and the pattern of operations of my client at the Sedona airport. The relevant and provable facts are that my client has an impeccable safety record at the Sedona Airport, has provided first-class air tour operations for eight years in Sedona without a single safety incident, operates its entire business with safety and FAA compliance as its primary and overriding concern, and has never deviated one

Edward J. McCall, General Manager  
SEDONA AIRPORT ADMINISTRATION  
October 20, 2000  
Page 2

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whit in its operations from the conditions of its lease or from any applicable state and federal guidelines.

Your allegation set forth in your October 10, 2000, letter that my client has "received numerous verbal and written warnings about your actions and the actions of your employees on and about the Sedona Airport...." is rejected as entirely false and unfounded. There has been only one such warning in the entire history of my client's operations at Sedona Airport—a July 11, 2000 warning that you did not believe that a repair of warning cones with screws was safe. As you well know, that repair was unauthorized by my client, and my client *immediately* took every step to *immediately* remove those screws and to ensure that repairs to warning cones did not use any metal objects after that time. Accordingly my client also rejects your statement of October 10, 2000, that my clients did not appropriately modify their "behavior" as similarly false and unfounded.

My client rejects your assertions in your letter of October 10, 2000 that there have been any violations of Lease Sections 2.2.1., 2.2.4., 5.1., 5.7. or 5.9.—there have been no violations of those sections of the lease. There were no violations of those sections of the lease, or any other section of the lease, on September 29, 2000, and there were no prior violations of any provisions of the lease. Your statements to the contrary of repeated breach of the lease are rejected as false and unfounded.

My client's operations at Sedona Airport have always been in full compliance with the lease and all applicable federal guidelines and requirements. My client's operations, including taxiing to and from its hangar and taxiing to and parking at the locations specified in its lease on public use Ramp B, have repeatedly been observed and confirmed by the FAA as being safe and in full compliance with all federal guidelines and requirements.

We note that the claims of "repeated" violation of lease, the threats of termination of lease, and the October 10, 2000, demand that my client vacate the parking area specified in its lease began only after my client reported the vicious and unprovoked September 29, 2000, assault upon its aircraft and personnel to the FAA, and also reported to the FAA your improper, and possibly illegal, demands that my client participate in a cover-up of this extremely dangerous and serious incident, and not report it to the FAA.

Accordingly, my client rejects your claims of breach of lease and unsafe operations as false, unfounded and clearly pretextual. Moreover, the demand that my client abandon its specified parking location on Ramp B, and move to a new

Edward J. McCall, General Manager  
SEDONA AIRPORT ADMINISTRATION  
October 20, 2000  
Page 3


parking location hundreds of yards to the South and far away from its hangar and office, is entirely unrelated to the September 29, 2000, incident, reflects no valid interest of the Airport Authority, and is clearly nothing more than an attempt to harass my client by disrupting its operations. My client will continue its operations, including parking and taxiing from Ramp B, in full conformity with the lease and all state and federal guidelines, and in conformity with its long record of safe operations from that parking location, and hereby demands that the airport authority similarly honor its lease commitments, its requirements under state and federal law, and its obligations to deal with my client in a fair and non-discriminatory manner.

At this time, my client reiterates its request that it be provided with copies of the statements regarding the September 29, 2000, incident which were provided by Airport Authority employees, Red Rock Aviation employees, the employees of Red Rock Biplane Tours, and any other witnesses who have furnished statements.

Finally, please be advised that my client has committed eight years of work and resources to building up what is recognized to be one of the premier air tour businesses in the country. If the Airport Authority takes any actions which improperly interfere with the continued operation of that business, or which damage that business, my client will recover not only all of its damages, but will seek punitive damages and recovery of all of its fees and costs pursuant to Section 21.1 of the lease, A.R.S. §12-341.01 and any applicable federal statutes.

As always, please don't hesitate to contact me should you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to be "S. Owens", with a long horizontal line extending to the right.

Steven R. Owens

SRO:mja

G

## THE LAW OFFICE OF STEVEN R. OWENS, P.C.

---

**Steven R. Owens, Attorney at Law**

*Admitted to practice before the courts of Arizona and Colorado*

25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804  
Telephone (520) 284-0899  
Mobile Telephone (520) 300-1211  
Telecopier (520) 284-9885  
E-mail owens@sedona.net

July 6, 2001

Edward J. McCall, General Manager  
SEDONA AIRPORT ADMINISTRATION  
235 Air Terminal Drive, Suite 1  
Sedona, Arizona 86336

Re: Skydance Helicopters

Dear Mr. McCall,

As you know, this officer represents Skydance Helicopters, Inc. In this capacity, I have earlier been provided with the proposed CORPORATE-SIZE HANGAR PAD LEASE (the "Proposed Lease") and the LICENSE AGREEMENT FOR COMMERCIAL BUSINESS ACTIVITIES AT THE SEDONA AIRPORT (the "Proposed License"). I have also received and reviewed the various documents you provided to me, and thank you for supplying them.

Upon review of the documentation, we find that the Proposed Lease you provided to me is balanced, fair and is acceptable to my client, and my client is prepared to immediately enter into the lease you provided, with the following minor additions:

-Attached you will find a copy of the drawing prepared by Holgate Consulting Engineers, Inc., which indicates that the required pad will be 80 feet by 60 feet, for a total of 4,800 square feet. Please insert these numbers into the appropriate blanks on the lease. We understand that this drawing will be Exhibit "A" to the Lease.

-Please insert a Commencement Date of September 1, 2001.

Edward J. McCall, General Manager  
SEDONA AIRPORT ADMINISTRATION

July 6, 2001

Page 2

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-Please insert my client's proper name as Lessee:  
Skydance Helicopters, Inc.

-Please delete the second sentence of section 2.2.1., or prepare an Exhibit "C" which reflects my client's commercial operations.

-Please incorporate a reference to the renewal option set forth in section 1.13 into the text of section 3.1 so that there is no ambiguity.

-There was no Exhibit "B" attached to the Lease, but we assume that it will contain fair and appropriate CPI increase language, reflecting the intent of the lease. Please forward to us the proposed Exhibit "B."

-The Proposed Lease you supplied me stopped with Section 20.8. We assume that this is the final provision and that the next page will contain signatures.

As to the Proposed License: my client is in full agreement that an Operations Agreement, which lays out in clear language the expectations, rights and responsibilities of commercial operators at the airport, which is fair, equitable and which provides adequate provisions for due process and dispute resolution would be desirable for use at the airport, provided that such an Operations Agreement conformed with federal law and applied equally to all commercial operators without discrimination. My client stands ready to meet with you and all of the other commercial operators at the airport to agree upon and finalize such an appropriate Operations Agreement. However, the Proposed License you submitted to me for review is not such an agreement—it is unfair, inequitable and clearly contrary to federal law. Indeed, it was so improper and so clearly illegal that we had a difficult time determining if it was meant as a serious proposal or was simply submitted as a form of poor joke. "Surely you jest" was the common reaction to the document when my client shared it with other aviation professionals. The act of creating such a document calls into question the good faith of the Authority—we frankly believe that the best approach to creating an appropriate Operations Agreement would be to tear this proposed document up and start over with a blank piece of paper. Moreover, my client will not even begin to discuss an Operations Agreement with the airport until every other commercial operator is involved in that discussion, is allowed to provide input, and is bound by the final agreement, which must be fair to all involved and must conform with federal law. Any other approach is blatantly discriminatory and unacceptable. The attempt to tie the Proposed License to my client's Proposed Lease is similarly blatantly

Edward J. McCall, General Manager  
SEDONA AIRPORT ADMINISTRATION  
July 6, 2001  
Page 3

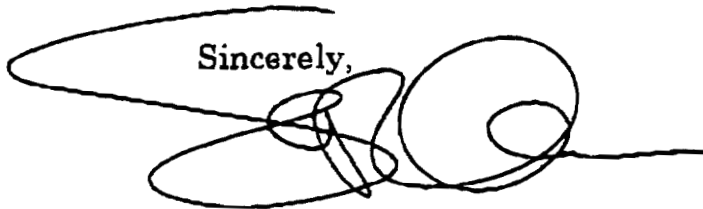
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discriminatory, unacceptable and we believe that such discriminatory action is prohibited by not only federal law but the governing documents of the airport which you provided to me. Accordingly, we reject any tie of the Proposed License to the Proposed Lease or the application of the Proposed License as a precondition to finalizing the Lease.

Therefore, my client and I are looking forward to meeting with you in the very near future to finalize the Lease so that my client can begin preparation of construction drawings for review.

As we have noted in the past, my client has dealt with the Authority in good faith in order to locate and build its hangar for the mutual benefit of all, and looks forward to good faith on the part of the Authority in return. As always, please don't hesitate to contact me should you have any questions or comments.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a series of loops and a horizontal line extending to the right.

Steven R. Owens

SRO:mja

H



Please reply as early as possible on Friday--otherwise I am not going to make any assurances that we will have this matter resolved by Monday afternoon.

Steve

THE LAW OFFICE OF STEVEN R. OWENS, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804  
Telephone (520) 284-0899  
Telefax (520) 2849885  
email: owens@sedona.net  
Visit us at www.sedonalawyer.com

-----Original Message-----

**From:** Richard Spector [mailto:spectorlaw@msn.com]  
**Sent:** Thursday, August 16, 2001 3:08 PM  
**To:** Law Office of Steven R. Owens; Richard.Spector@azbar.org  
**Subject:** Re: Sedona Airport Lease

Steve, I received your request and voice mail, but Mac was delayed in returning to Sedona. I will with him tomorrow regarding your requests. —

----- Original Message -----

**From:** Law Office of Steven R. Owens  
**Sent:** Tuesday, August 14, 2001 4:19 PM  
**To:** Richard.Spector@azbar.org  
**Subject:** Sedona Airport Lease

Richard,

Since it appears that we are making progress on resolving the Lease/License issue to our clients' mutual benefit, it occurs to me that we are working in reverse on the License issue. Rather than make you guess as to what provisions we find objectionable, I would suggest that you simply e-mail to me the current Operations License and I will modify it to make it acceptable to my client and send you back a blackline of the changes. You can then share these with your client to see if they are acceptable, I think that we may finish sooner this way.

Also, please e-mail to me the revised lease incorporating the few changes I noted in my recent letter and I can review that document so that we can put both documents on parallel tracks.

Let me know if this works for you.

Steve

THE LAW OFFICE OF STEVEN R. OWENS, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804  
Telephone (520) 284-0899  
Telefax (520) 2849885  
email: owens@sedona.net  
Visit us at www.sedonalawyer.com

8/16/2001

Please reply as early as possible on Friday--otherwise I am not going to make any assurances that we will have this matter resolved by Monday afternoon.

Steve

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email: owens@sedona.net  
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8/16/2001



**SPECTOR LAW OFFICES, P.C.**  
ATTORNEYS

30 EAST CAMELBACK ROAD  
SUITE 640  
SCOTTSDALE, AZ 85251  
TELEPHONE: (480) 941-0221  
FACSIMILE: (480) 990-9093

1785 WEST HIGHWAY 89A  
SUITE 3D  
SEDONA, AZ 86336  
TELEPHONE: (520) 282-3770  
FACSIMILE: (520) 282-0708

August 30, 2001

**(Via Facsimile (520) 284-9885 & U.S. Mail)**

Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

**Re: Sedona Airport  
SKYDANCE HELICOPTERS, INC. - TEN DAY NOTICE TO QUIT**

Dear Steve:

I received your August 23, 2001 letter and immediately forwarded it to my client, Sedona Airport Administration ("SAA") for its review. The remainder of this letter reflects my client's position as to your client, Skydance Helicopters, Inc. ("Skydance").

The parties' original Building, Hanger, Hanger Pad or Tie-Down Lease dated April 25, 1997 ("the Lease") expired on March 31, 1999. On that date, the parties executed a Lease Extension until March 31, 2001. Pursuant to Articles 3.1 and 1.14 of the Lease, the "terms and condition of the initial lease [would] remain in effect for the month-to-month Lessee occupancy . . . not to exceed ninety (90) days." The ninety (90) day period expired on June 30, 2001. Since that time, the parties have been in a tenancy-at-will or tenancy at sufferance. Nevertheless, in the hopes that Skydance would accept SAA's recent offer of August 22, 2001, SAA acknowledged Skydance's month-to-month tenancy. A.R.S. § 33-342.

Your demand to arbitrate is rejected. Your position assumes, wrongly, that SAA must contract with Skydance. SAA has no statutory or common law obligation to enter into any contract it deems unsound or unwise. Skydance's position that a Federal District Court would compel SAA to contract will eviscerate the oldest principle of Anglo-American jurisprudence; namely, the freedom to contract and its corollary, the freedom not to enter into bad contracts. *Consumers Intern., Inc. v. Sysco Corp.*, 191 Ariz. 32, 951 P.2d 897 (App. 1998)(parties may freely contract for any lawful purposes); *Angus Medical Co. v. Digital Equipment Corp.*, 173 Ariz. 159, 167, 840 P.2d 1024, 1032 (App. 1992)("the public policy goal of preserving freedom of contract is best served by minimizing legal interference in the private bargaining process"). See, also, *Boatman v. Samaritan Health Services, Inc.*, 168 Ariz. 207, 211, 812 P.2d 1025, 1029 (App. 1991)(defendant's refusal to renegotiate its contract with at-will employee was a right defendant possessed under general principles of freedom to contract).

August 30, 2001  
Steven R. Owens, Esq.  
Page 2

Under Arizona law, a month-to-month Tenant is entitled to ten (10) days notice that the Landlord will terminate the monthly tenancy. A.R.S. § 33-341(B) ("A lease from month to month may be terminated by the landlord giving at least ten days notice thereof. In case of nonpayment of rent notice is not required"). Accordingly, this letter shall serve as Skydance's Notice to Quit Tenancy as required by A.R.S. § 33-341. Skydance shall have up to September 10, 2001 to quit the premises. However, as an act of good faith on SAA's part, and without waiving any rights and remedies available to it under Arizona law, SAA is willing to allow Skydance to remain in the leasehold property up and until September 30, 2001. If your client desires to take advantage of this generous offer, please let me know in writing as soon as possible. Otherwise, Skydance's failure to vacate the leasehold property on or before by September 10, 2001, will result in SAA taking all actions afforded to it under Arizona law.

Very truly yours,

**SPECTOR LAW OFFICES, P.C.**



Richard Spector

RS/an  
cc: Edward "Mac" McCall (via fax)

# MEMORY TRANSMISSION REPORT

TIME : AUG-30-01 01:44PM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 361  
DATE : AUG-30 01:41PM  
TO : 15202041292  
DOCUMENT PAGES : 03  
START TIME : AUG-30 01:43PM  
END TIME : AUG-30 01:44PM  
SENT PAGES : 03  
STATUS : OK

FILE NUMBER : 361

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

## SPECTOR LAW OFFICES, P.C. ATTORNEYS

5900 E. Camelback Road  
ite 640  
ottsdale, Arizona 85251  
Tel: (602) 941-0221  
Fax: (602) 990-9093

1785 W. Highway 89A  
Suite 3D  
Sedona, Arizona 86336  
Ph: (520) 282-3770  
Fax: (520) 282-0708

### FACSIMILE TRANSMITTAL COVER SHEET

Date: August 30, 2001

TO:	Name: <u>Mac McCall</u>	Name: _____
	Firm: <u>Sedona Airport Administration</u>	Firm: _____
	Fax #: <u>520-204-1292</u>	Fax #: _____

FROM: Richard Spector

NUMBER OF PAGES: 3  
(including cover sheet)

### COMMENTS:

RE: Skydance Helicopters, Inc.

In case of Transmission problem, please call Ana at 941-0221.

### CONFIDENTIALITY NOTICE

This facsimile transmission (and/or documents accompanying it) may contain confidential information belonging to the sender which is protected by the attorney-client privilege. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone at (480) 941-0221 to arrange the return of the documents.

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TEL NUMBER : 4809909093  
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DATE : AUG-30 01:41PM  
TO : 15202849885  
DOCUMENT PAGES : 03  
START TIME : AUG-30 01:41PM  
END TIME : AUG-30 01:43PM  
SENT PAGES : 03  
STATUS : OK

FILE NUMBER : 360

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

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Scottsdale, Arizona 85251  
Ph: (480) 941-0221  
Fax: (480) 990-9093

1785 W. Highway 89A  
Suite 3D  
Sedona, Arizona 86336  
Ph: (520) 282-3770  
Fax: (520) 282-0708

### FACSIMILE TRANSMITTAL COVER SHEET

Date: August 30, 2001

TO: Name: Steven R. Owens, Esq. Name: \_\_\_\_\_  
Firm: \_\_\_\_\_ Firm: \_\_\_\_\_  
Fax #: (520) 284-9885 Fax #: \_\_\_\_\_

FROM: Richard Spector NUMBER OF PAGES: 3  
(including cover sheet)

### COMMENTS:

Re: **Sedona Airport  
SKYDANCE HELICOPTERS, INC. - TEN DAY NOTICE TO QUIT**

In case of Transmission problem, please call (480) 941-0221.

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J



**SPECTOR LAW OFFICES, P.C.**  
ATTORNEYS

6900 EAST CAMELBACK ROAD  
SUITE 640  
SCOTTSDALE, AZ 85251  
TELEPHONE: (480) 941-0221  
FACSIMILE: (480) 990-9093

August 30, 2001

**(Via U.S. Mail - Certified RR Requested)**

Skydance Helicopters, Inc.

Attn: Michael Cain

1225 Airport Rd., #5  
Sedona, AZ 86336

**Re: Sedona Airport  
SKYDANCE HELICOPTERS, INC. - TEN DAY NOTICE TO QUIT**

Dear Mr. Cain:

The parties' original Building, Hanger, Hanger Pad or Tie-Down Lease dated April 25, 1997 ("the Lease") expired on March 31, 1999. On that date, the parties executed a Lease Extension until March 31, 2001. Pursuant to Articles 3.1 and 1.14 of the Lease, the "terms and condition of the initial lease [would] remain in effect for the month-to-month Lessee occupancy . . . not to exceed ninety (90) days." The ninety (90) day period expired on June 30, 2001. Since that time, the parties have been in a tenancy-at-will or tenancy at sufferance. Nevertheless, in the hopes that Skydance would accept SAA's recent offer of August 22, 2001, SAA acknowledged Skydance's month-to-month tenancy. A.R.S. § 33-342.

Under Arizona law, a month-to-month Tenant is entitled to ten (10) days notice that the Landlord will terminate the monthly tenancy. A.R.S. § 33-341(B) ("A lease from month to month may be terminated by the landlord giving at least ten days notice thereof. In case of nonpayment of rent notice is not required"). Accordingly, this letter shall serve as Skydance's Notice to Quit Tenancy as required by A.R.S. § 33-341. Skydance shall have up to September 10, 2001 to quit the premises. However, as an act of good faith on SAA's part, and without waiving any rights and remedies available to it under Arizona law, SAA is willing to allow Skydance to remain in the leasehold property up and until September 30, 2001. If you desire to take advantage of this generous offer, please have your attorney contact me in writing as soon as possible. Otherwise, Skydance's failure to vacate the leasehold property on or before by September 10, 2001, will result in SAA taking all actions afforded to it under Arizona law.

Very truly yours,

**SPECTOR LAW OFFICES, P.C.**

  
Richard Spector

RS/an

cc: Edward "Mac" McCall (via fax)  
Steven R. Owens, Esq. (via fax)

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Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Recipient's Name (Please Print Clearly) (To be completed by mailer)  
 SHYNDANCE HELICOPTERS  
 Street, Apt. No.; or PO Box No.  
 City, State, ZIP+ 4  
 PS Form 3800, February 2000 See Reverse for Instructions

**Re: Sedona Airport  
SKYDANCE HELICOPTERS, INC. - TE**

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~~SPECTOR LAW OFFICES, P.C.~~

Richard Spector

RS/an

Interviewed "Mac" McCall (via fax)

Is your **RETURN ADDRESS** completed on the reverse side?

**SENDER:**

PLACE STITCH AT TOP OF ENVELOPE

Following services (for all):

- Complete items 3, 4a, and 4b.
- Complete items 5, 6a, and 6b.
- Print your name and address on the reverse of this form so that we can return it to you.
- Attach this form to the front of the malpractice, or on the back if space does not permit.
- Write "Return Receipt Requested" on the malpractice below the article number.
- The Return Receipt will allow us to whom the article was delivered and the date delivered.

extra fee).

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.  
R.R.S. § 33-342.

1. Article Addressed to: Shyland Helicopters  
Attn: Michael Cain  
1225 Airport Rd. #5  
Sedona, AZ 86336

2. Received By: (Print Name) Michael Cain

3. Signature: (Addressee or Agent) [Signature]

4b. Service Type  
☐ Registered  
☐ Express Mail  
☒ Return Receipt for Merchandise  
☐ Certified  
☐ Insured  
☐ COD

5. Date of Delivery

6. Addressee's Address (Only if requested and fee is paid)

7. Domestic Return Receipt

102555-97-8-0179

K

5-01-1995 2:40AM

FROM

P. 1

## A SPECIAL...Fax Transmission

DATE: August 30th, 2001.

- ◇ To: Mr. Mac McCall; Sedona Airport Admin.
- ◇ Fax Number: 520-204-1292
- ◇ Phone Number: 520-282-4487

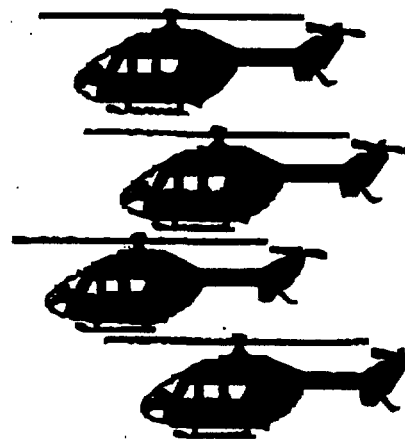
From: *Skydance Helicopters*

Our Phone: 1(520)282-1651

Toll Free: 1-800-882-1651

Our Fax: 1-(520)-282-3004

No. of pages including cover page: 1



Dear Mr. McCall

When I returned from an out-of-town engagement late yesterday afternoon, I received the message you left on my answering machine for me, requesting that we sit down without the attorneys and attempt to negotiate a mutually acceptable Operations License and Lease. I was pleased to hear this message, since it appeared to indicate good faith on your part.

However, before I was even able to respond to you, my attorney received an eviction letter from Richard Spector, which completely contradicts the message you left on my answering machine.

Before we can decide how to proceed, we need to know who speaks for the Authority - you or Richard Spector?

I don't understand why Richard Spector thinks our lease is month-to-month- you and I both know that we entered into an agreement on November 1, 2000, extending our lease until the new hangar is built. This isn't a month-to-month lease, and he can't terminate it as if it were a month-to-month lease.

Please let me know if you speak for the Authority or not, and if so, what its position is.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Cain", is written over a horizontal line.

Michael Cain

L



## Sedona Airport Administration

235 Air Terminal Drive, Suite 1 • Sedona, Arizona 86316  
520-282-4487 • Fax: 520-204-1292

### FAX COVER SHEET

C.C. RICHARD SPECTOR

DATE: 8/30/01

TO: MIKE CAIN / SKY DANCE

FAX NUMBER: \_\_\_\_\_

FROM: Edward "Mac" McCall, A.A.E.  
General Manager

Number of pages including cover sheet 1

August 30, 2001

Dear Mr. Cain

In response to your inquiry, I would always prefer to find a mutually acceptable and profitable solution to any issue. However, I reject your position that your option to negotiate for a hangar goes into perpetuity without a lease or operating agreement. I further reject your position that the November 1, 2000 document supersedes a lease or operating agreement into perpetuity. We need to sign the lease and operating agreement or discontinue doing business.

The Airport Board has directed our attorney and myself to proceed in that direction.

Very Truly,

A handwritten signature of Mac McCall in black ink.

Mac McCall, A.A.E.

M

# THE LAW OFFICE OF STEVEN R. OWENS, P.C.

---

Steven R. Owens, Attorney at Law  
*Admitted to practice before the courts of Arizona and Colorado*

25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804  
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Mobile Telephone (928) 300-1211  
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September 5, 2001

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
6900 East Camelback Road, Suite 640  
Scottsdale, Arizona 85251

**Re:** Sedona Airport  
My client, Skydance Helicopters, Inc.

Dear Richard,

In your haste to send the purported "Ten Day Notice to Quit" dated August 30, 2001, in which you issued a blanket rejection of my client's continuing efforts to obtain its long-promised ground lease at the Sedona Airport through good-faith negotiation, it appears that you overlooked my request set forth in my August 23, 2001 letter that the Authority produce various public records.

Accordingly, by this letter I am making formal demand upon your client pursuant to A.R.S. §39-121, *et. seq.*<sup>1</sup> for copies of the following public records:

1. The current *Minimum Standards For Aeronautical Activity* as adopted and implemented by the Authority.
2. All ground leases entered into by the Authority as lessor within the past five years.

---

<sup>1</sup> To the extent that it is applicable because of the fact that the Authority receives extensive federal funding and operates under the jurisdiction of the Federal Aviation Administration, this request is also submitted pursuant to the Federal Freedom of Information Act, 5 U.S.C. 552, *et. seq.*



3. All Commercial Operations Licenses entered into by the Authority within the past three years.
4. Copies of all federal grant applications submitted by the Authority to the Federal Aviation Administration within the past ten years which contain the assurances required by 49 U.S.C. §47107(a) (the "Statute") and the ***Airport Compliance Requirements*** issued on October 2, 1989 as Order 5190.6A of the Office of Airport Safety & Standards, U.S. Federal Aviation Administration, Department of Transportation (the "Requirements").

As noted above, this request is for ***copies*** of the above-specified public documents pursuant to A.R.S. §39-121.01(D)(1), since we understand from previous conversations with Mr. McCall that facilities are available in his office for copying. My office will guarantee payment of the reasonable copying fee authorized by that statute. If we are misinformed and the Authority does not have facilities available for copying, please contact me immediately so that we can make arrangements for outside copying pursuant to the procedure set forth at A.R.S. §39-121.01(D)(2).

Pursuant to A.R.S. §39-121, please arrange for these copies to be provided no later than 4:00 p.m. on Friday, September 7, 2001. If the Authority cannot provide copies, then please arrange to have the documents ready for copying no later than noon on Friday, September 7, 2001.

My client reserves all rights pursuant to A.R.S. §39-121.02 to pursue sanctions for failure to comply with the above requests.

As to the balance of your letter of August 30, 2001, you are not only wrong on all counts, but your errors make it clear why there is a problem in the first place.

First, our clients do not have a month-to-month lease. The November 1, 2000 agreement between our clients provides for a lease extension of the existing lease for a term which continues until "...completion of the new facilities," to use your client's precise language. This does not create a month-to-month tenancy, this extends an operative and binding written lease until the date of completion of the new facilities. This writing meets all of the requirements of A.R.S. §44-101 to create a valid and binding lease extension for the term set forth in the precise words

chosen by your client. *Gruber v. Castleberry*, 23 Ariz. App. 322, 533 P.2d 82 (1975). Accordingly, your "Ten Day Notice" is rejected as inapplicable and unfounded in Arizona law. Your client may not terminate the currently existing lease, with or without ten days notice, and your notice has no effect.

More disturbing than your misapplication of Arizona property law is your and your client's total disregard of the entire body of federal laws and regulations governing your client's operation of the Sedona Airport. Your string cites to various inapplicable employment and "freedom of contract" cases shows that your client has not the slightest regard for the obligations and the regulations surrounding public airport management and administration. The fact that you even cited these cases demonstrates that your clients continue to disregard the fundamental issue governing this matter: ***This is not private property, your clients do not own this airport!*** You cited to me three different cases which stand for the proposition that private parties may do what they want with their own private property. Your citation of these cases demonstrates that neither you nor your clients appreciate the fact that your clients do not own the Sedona Airport and do not enjoy the right of arbitrary and capricious discrimination and "freedom of contract" which private parties enjoy when dealing with their own private property.

The principles of law you cited to me are therefore entirely irrelevant (other than the fact that they starkly reveal your client's fundamental disregard for public law). What is relevant is the fact that the Sedona Airport is owned by the citizens of Yavapai County, and is a public airport. In addition, and of fundamental importance, the Authority has sought and obtained millions of dollars in public monies from the Federal Aviation Administration, and as a condition of receipt of those funds voluntarily submitted to federal rules and regulations regarding fair, reasonable and nondiscriminatory airport operations. These rules and regulations are set forth in detail in both 49 U.S.C. §47107(a) and the ***Airport Compliance Requirements*** issued on October 2, 1989 as Order 5190.6A of the Office of Airport Safety & Standards, U.S. Federal Aviation Administration, Department of Transportation. Your clients need to review the ***Airport Compliance Requirements*** carefully, since they set forth in detail the requirements that the Authority must meet and the guidelines they must follow as a condition of receiving federal funding. I strongly suggest that your clients pay particular attention to the obligations that the Authority holds towards Part 135 carriers, commercial operators, and the obligations it holds to offer leases under fair and reasonable terms to those operators. Again, I point out that we have reached agreement on the

terms of the Lease itself, and differ only on the terms of the Proposed License—which we believe is patently unacceptable under the Requirements.

Please note also the relevant law regarding 49 U.S.C. §47107(a) and the regulations promulgated thereunder (including, but not limited to the Requirements)—which make it clear that if we are forced to commence an action pursuant to that statute under the requirements of 14 C.F.R. 16.1, *et. seq.*, a very likely outcome of that complaint will be that the Authority will be found to have violated the Requirements. One possible sanction for such violation is that the Airport could lose all future federal grant funding, and be ordered to refund all funding it has already received, which constitutes millions of dollars.

Accordingly, your client's unreasonable course of action and position that it is above public law could not only cause my client to incur enormous inconvenience, cost, difficulties and recoverable damages, it could cost Yavapai County and its taxpayers millions of dollars.

With these stakes at risk, I strongly urge your clients to become familiar with the laws and regulations regarding federally-funded airport operation—these are the principles of law which will be applied by the Administrative Law Judge, not the inapplicable “freedom of contract” cases you cited. Because Yavapai County could end up facing the consequences of your and your client's refusal to honor its obligations under federal law, by copy of this letter I am making both the Board of Supervisors and the Yavapai County Attorney aware of the gravity of this matter and the short-sighted actions of your client in dealing with the public's airport.

Finally, in your letter of August 30, 2001, you indicate that my client's “demand to arbitrate is rejected.” Again, this demonstrates a disturbing disregard of federal regulations. First, we did not make a demand to arbitrate—we requested that the FAA Airport Compliance Office investigate and mediate this dispute. Pursuant to Section 6-3 of *Airport Compliance Requirements*, the FAA will investigate and evaluate all leases and commercial operations agreements upon request by an aggrieved party to determine if they are fair, reasonable and nondiscriminatory, as required. Because the Sedona Airport is subject to 49 U.S.C. §47107(a) and the regulations promulgated thereunder, your client does not have the luxury of acting as it wishes and rejecting FAA review of the leasing situation and the appropriateness of the proposed Commercial Operations License. Accordingly, and based upon our telephone conversations with Mr. Garcia, we

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
September 5, 2001  
Page 5

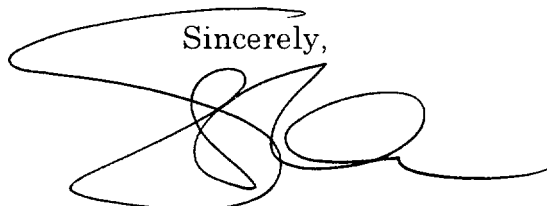
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believe that the Airport Compliance Office will take a keen interest in this matter. If your client continues in its current stance that it rejects FAA assistance and intervention, we will see if that decision has unpleasant ramifications for your client.

We have forwarded copies of both your letter of August 30, 2001 and this letter to Mr. Garcia of the FAA Office of Airport Compliance for use in his efforts.

In the meantime, please ensure that your client produces copies or the originals of the public records identified above by the deadline set forth above.

Sincerely,

A handwritten signature in black ink, appearing to be 'SRO', with a large, stylized 'S' and a trailing flourish.

Steven R. Owens

SRO:mja

cc: Tony Garcia, FAA Airport Compliance  
Gheral Brownlow, Chairman, Yavapai County Board of Supervisors  
Chip Davis, Yavapai County Board of Supervisors (Verde Valley)  
Charles Hastings, Esq., Yavapai County Attorney

N

# SPECTOR LAW OFFICES, P.C.

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SEDONA, AZ 86336  
TELEPHONE: (520) 282-3770  
FACSIMILE: (520) 282-0708

September 6, 2001

**(Via Facsimile (520) 284-9885 & U.S. Mail)**

Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

**Re: SEDONA AIRPORT - SKYDANCE HELICOPTERS, INC.**

Dear Mr. Owens:

I have been directed by my client to comment upon your requested changes to the standard form License Agreement for Commercial Business Activities At The Sedona Airport ("License"), as well as respond to your September 5, 2001 demand pursuant to A.R.S. §39-121, *et. seq.*

The Sedona Airport Authority ("SAA") has three other tenants who have signed the License. Your requested modification would, in my opinion, put SAA in jeopardy of discrimination claims by other licensees. Subject to the SAA's Board of Director's approval and consent, SAA proposes the following change to paragraphs 2.2 and 3 to your recent re-draft of the License:

2.2 Licensing Fee to remain the same per approval of Board.

3. **Grant of License.** Licensors grants to Licensee a License to operate its business in the Premises defined above subject to all the terms and conditions herein and all terms and conditions of any Lease applicable to Licensee as Tenant or sub-tenant therein; provided however, the License granted herein is terminable at the will of either party pursuant to the terms and conditions of this License. Nothing herein to the contrary, if either party determines that the other party has (i) taken any action that would be a breach of the License or Lease, or (ii) engaged in any behavior prescribed by the Licensor or Lease, the aggrieved party shall give written notice ("Notice") of the alleged breach or default specifying in reasonable detail the nature of the claimed breach or default and demand for remedy. After receipt of the Notice, the party shall have seven (7) days to cure the claimed breach or default. Licensee acknowledges and agrees that the License to operate its business in the Premises does not grant Licensee any possessory real

September 6, 2001  
Steven R. Owens, Esq.  
Page 2

property rights to or in the Premises, such right being subject to the Parties' Lease.

SAA rejects those changes to paragraphs 4, 5, 6, 11, 20, 26, 29, 29.2 and 29.3 because those changes are not in the best interest of SAA or its desire to maintain uniformity among its Licenses. All other changes are acceptable, except for paragraph 34. We would like an explanation of why your client desires the "Additional Covenants" stated in new paragraph 34. Upon receipt of such explanation, we will address our position as the additional obligations imposed upon SAA in that requested paragraph.

I am in receipt of your September 5, 2001 correspondence, which included, among other things, request for public records pursuant to A.R.S. §39-121, *et. seq.* As you know, my client is a non-profit corporation. It is not a "public body" as defined by A.R.S. §39-121.01 and therefore is not required to provide the requested documents. However, my client has agreed to provide the information pertaining to the Ground Leases and Operation Licensees requested in your correspondence. The other requests pertaining to federal documents need to be made directly to the County because my client is not the custodian for those public records.

Your two day notice to provide these copies is unreasonable under the statute. My client simply does not have the staff or facilities to comply with your request upon 48 hours notice. We do anticipate being able to provide you with some of the information you requested as to the Ground Leases and Operation Leases no later than Friday, September 14, 2001.

Very truly yours,

**SPECTOR LAW OFFICES, P.C.**



Richard Spector

RS/an  
cc: Edward "Mac" McCall (via fax)

# MEMORY TRANSMISSION REPORT

TIME : SEP-06-01 02:43PM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 474  
DATE : SEP-06 02:40PM  
TO : 15202849885  
DOCUMENT PAGES : 03  
START TIME : SEP-06 02:40PM  
END TIME : SEP-06 02:43PM  
SENT PAGES : 03  
STATUS : OK

FILE NUMBER : 474

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

## SPECTOR LAW OFFICES, P.C. ATTORNEYS

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Fax: (520) 282-0708

### FACSIMILE TRANSMITTAL COVER SHEET

Date: September 6, 2001

TO: Name: Steven R. Owens, Esq. Name: \_\_\_\_\_  
Firm: \_\_\_\_\_ Firm: \_\_\_\_\_  
Fax #: (520) 284-9885 Fax #: \_\_\_\_\_

FROM: Richard Spector

NUMBER OF PAGES: 3  
(including cover sheet)

### COMMENTS:

RE: Sedona Airport

In case of Transmission problem, please call (480) 941-0221.

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# MEMORY TRANSMISSION REPORT

TIME : SEP-07-01 09:49AM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 489  
DATE : SEP-07 09:48AM  
TO : 15202041292  
DOCUMENT PAGES : 02  
START TIME : SEP-07 09:48AM  
END TIME : SEP-07 09:49AM  
SENT PAGES : 02  
STATUS : OK

FILE NUMBER : 489

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

## SPECTOR LAW OFFICES, P.C.

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SEDONA, AZ 86336  
TELEPHONE: (520) 282-3770  
FACSIMILE: (520) 282-0708

September 6, 2001

(Via Facsimile (520) 284-9885 & U.S. Mail)  
Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

Re: **SEDONA AIRPORT - SKYDANCE HELICOPTERS, INC.**

Dear Mr. Owens:

I have been directed by my client to comment upon your requested changes to the standard form License Agreement for Commercial Business Activities At The Sedona Airport ("License"), as well as respond to your September 5, 2001 demand pursuant to A.R.S. §39-121, *et. seq.*

The Sedona Airport Authority ("SAA") has three other tenants who have signed the License. Your requested modification would, in my opinion, put SAA in jeopardy of discrimination claims by other licensees. Subject to the SAA's Board of Director's approval and consent, SAA proposes the following change to paragraphs 2.2 and 3 to your recent re-draft of the License:

2.2 Licensing Fee to remain the same per approval of Board.

3. **Grant of License.** Licensor grants to Licensee a License to operate its business in the Premises defined above subject to all the terms and conditions herein and all terms and conditions of any Lease applicable to Licensee as Tenant or sub-tenant therein; provided however, the License granted herein is terminable at the will of either party pursuant to the terms and conditions of this License. Nothing herein to the contrary. If either party determines that the other party has (i) taken any action that would be a breach of the License or Lease, or (ii) engaged in any behavior prescribed by the Licensor or Lease, the aggrieved party shall give written notice ("Notice") of the alleged breach or default specifying in reasonable detail the nature of the claimed breach or default and demand for remedy. After receipt of the Notice, the party shall have seven (7) days to cure the claimed breach or default. Licensee acknowledges and agrees that the License to operate its business in the Premises does not grant Licensee any possessory real

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## THE LAW OFFICE OF STEVEN R. OWENS, P.C.

Steven R. Owens, Attorney at Law

*Admitted to practice before the courts of Arizona and Colorado*

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September 10, 2001

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
6900 East Camelback Road, Suite 640  
Scottsdale, Arizona 85251

Re: Sedona Airport  
My client, Skydance Helicopters, Inc.

Dear Richard,

My client's representative, Mike Cain, and I have reviewed your letter of September 6, 2001 and your client's included counterproposal to our changes to the Proposed License.

I would like to address your concerns in reverse order:

First, as to the requested public documents. Our understanding is that all ground leases entered into by the Authority as lessor within the past five years and all Commercial Operations Licenses entered into by the Authority within the past three years comprises only five or six documents. I'm not sure why it would be such a burden for your client to retrieve these few documents from its files and copy them, but we are willing to wait until this Friday for these documents as you requested. In addition, in your letter you indicated that only the County has a copy of the balance of the documents. Mr. McCall has quite recently referred to the first document we requested, the current *Minimum Standards For Aeronautical Activity* as adopted and implemented by the Authority, so we would assume that he has a copy at the airport. We request that a copy of this document be made available on Friday, as well. Please include your client's invoice for copying on Friday and I will ensure that it is promptly paid.

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
September 10, 2001  
Page 2

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Second, as to the additional covenants set forth in our Section 34 to the Proposed License, and the reason that my client desires them. As to the first sentence, my client wishes to retain its current sales office because it has used that office for its sales operations since March 1, 1994 and has made more than \$10,000 in improvements to that office. Due to the quality of its operations, my client has many repeat customers and referrals from area businesses who are familiar with that location, and does not want to deal with the situation where those returning and referred customers are subjected to a sales presentation by Red Rock Biplanes rather than accurate directions to my client's new location. Accordingly, my client is willing to continue to lease and pay for its current office as a sales location until the building is torn down. We believe that this is a reasonable request and that the Authority would be happy to retain a good tenant for this location.

As to the second sentence of Section 34, this simply sets forth in writing the promises which was made to my client by your client when the move of my client's operation was discussed over a year ago. According to the notes taken by Joe Holgate, consulting engineer, when he and Mr. Cain met with Mr. McCall and Mr. Webster, it was agreed that the road to the new hangar/office location would be improved by the Authority by correct grading, establishing good drainage, and placing down a minimum of 6 inches of ABC sub base and 2 inches of asphalt. He notes that all parties agreed that the road would therefore be improved so as to comparable to the rest of the roads within the airport. You will note that the November 1, 2000 agreement makes reference to the road work, and we simply wanted to be a bit more specific and set forth the full agreement of the parties. As to the signage provision, this was also agreed to by the parties at the same time, is also mentioned in the November 1, 2001 agreement, and we simply wanted to set forth this agreement as well.

Frankly, in retrospect, we believe that the Lease is a more appropriate document to set forth these additional covenants, and if that was your point, we agree to moving them from the Operations License to the Lease.

As to your client's rejection of the majority of the changes we proposed to the License, we simply do not believe that the Authority's desire to maintain uniformity is a sufficient reason to continue with inappropriate and unfair provisions. We also believe that it would be desirable to have a uniform License, but believe that the better way to achieve that uniformity is to arrive at a fair and reasonable License, and then adopt that improved License as the uniform document. I am sure that the three operators who are parties to the old License

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
September 10, 2001  
Page 3

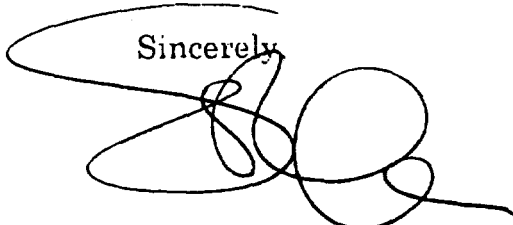
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would be more than willing to agree to accept an improved and fair License, thereby negating any concerns your client might have that those operators would believe that they were being subject to discriminatory treatment.

Because of this, my client is not willing to execute the License as proposed by your letter of September 6, 2001. However, we appreciate the Authority's recent willingness to discuss the substance of the License, so I would request that you speak with your client regarding its rejection of our proposals as set forth in your September 6, 2001 letter, and discuss whether a better way to achieve uniformity might be to just disregard the outstanding Licenses and improve the License based solely upon an evaluation of the merit of our suggestions. We invite you and your client to revisit our suggestions in this light—please understand that we are not wedded to our language, simply to the ideas set forth in that language of fairness, due process and non-discrimination. We would welcome any suggested alternative language which achieves those principles.

Finally, please send us a copy of the response which your client sends to Mr. Garcia in response to Mr. Garcia's letter of September 7, 2001.

Sincerely,



Steven R. Owens

SRO:mja

*P*

# SPECTOR LAW OFFICES, P.C.

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September 12, 2001

**(Via Facsimile (520) 284-9885 & U.S. Mail)**

Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

**Re: SEDONA AIRPORT - SKYDANCE HELICOPTERS, INC.**

Dear Mr. Owens:

I am in receipt of your correspondence of September 10, 2001 and have forwarded it to my client. I understand that Mr. McCall personally delivered to your client the Minimum Standards For Aeronautical Activity, as well as the copy of the Standard Form License Agreement and Lease. Mr. McCall explained to your client that we see no reason to provide triplicate copies of the same boiler plate language in those Agreements.

We disagree that it would be in my client's best interest to achieve uniformity among the Leases and Licenses of the Sedona Airport by eviscerating the other Licenses and Leases signed by the three (3) other operators. Obviously, we will entertain any reasonable changes to the License and Lease Agreement, however, your correspondence has failed to articulate any specific objections upon which to base a conversation. Your correspondence apparently seeks to expand the scope of our discussions to matters entirely outside the parties' agreements or understandings.

There is no November 1, 2000 agreement. The parties have not agreed as to the terms of a Lease nor the terms of a License Agreement. We disagree with your legal position that any statements, written or oral, including the proposed drafts of both the License and Lease Agreements, constitute a valid binding contract under Arizona law. Specifically, there is no meeting of the minds and the parties' discussions have never produced a License or Lease Agreement that satisfies the Statute of Frauds.

The latest correspondence was written in good faith to attempt to bridge the enormous gap between our client's position. Clearly, we have done everything in our power, including properly responding to your public records request, to assure you and your client that the provisions of the disputed portions of the proposed License and Lease Agreements are simply in the best interest of my client.

September 12, 2001  
Steven R. Owens, Esq.  
Page 2

In the interest to keeping the dialogue open, we request that you provide to me within a reasonable time an income statement and balance sheet for your client. We need to review their statements to determine the financial viability of your client. If you could provide those financial documents to me, I will forward them promptly to my client.

Very truly yours,

  
SPECTOR LAW OFFICES, P.C.

Richard Spector

RS/an  
cc: Edward "Mac" McCall (via fax)



MEMORY TRANSMISSION REPORT

TIME : SEP-12-01 02:17PM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 563  
DATE : SEP-12 02:13PM  
TO : 15202849885  
DOCUMENT PAGES : 03  
START TIME : SEP-12 02:15PM  
END TIME : SEP-12 02:17PM  
SENT PAGES : 03  
STATUS : OK

FILE NUMBER : 563

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

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FACSIMILE TRANSMITTAL COVER SHEET

Date: September 12, 2001

TO: Name: Steven R. Owens, Esq. Name: \_\_\_\_\_  
Firm: \_\_\_\_\_ Firm: \_\_\_\_\_  
Fax #: (520) 284-9885 Fax #: \_\_\_\_\_

FROM: Richard Spector

NUMBER OF PAGES: 3  
(including cover sheet)

COMMENTS:

RE: Sedona Airport

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# MEMORY TRANSMISSION REPORT

TIME : SEP-12-01 02:50PM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 564  
DATE : SEP-12 02:14PM  
TO : 15202041292  
DOCUMENT PAGES : 03  
START TIME : SEP-12 02:17PM  
END TIME : SEP-12 02:50PM  
SENT PAGES : 03  
STATUS : OK

FILE NUMBER : 564

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

## SPECTOR LAW OFFICES, P.C. ATTORNEYS

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Suite 3D  
Sedona, Arizona 86336  
Ph: (520) 282-3770  
Fax: (520) 282-0708

### FACSIMILE TRANSMITTAL COVER SHEET

Date: September 12, 2001

TO:	Name: <u>Mac McCall</u>	Name: _____
	Firm: <u>Sedona Airport Administration</u>	Firm: _____
	Fax #: <u>520-204-1292</u>	Fax #: _____

FROM: Richard Spector

NUMBER OF PAGES: 3  
(Including cover sheet)

### COMMENTS:

RE: Letter to Steve Owens.

In case of Transmission problem, please call Ana at 941-0221.

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Q



## **Sedona Airport Administration**

235 Air Terminal Drive • Sedona, Arizona 86336

Tel: 928-282-4487 • Fax: 928-204-1292

September 14, 2001

Mr. Tony Garcia  
Federal Aviation Administration  
Airports Division, AWP-620-1  
P.O. Box 92007  
Los Angeles, CA. 90009

Dear Mr. Garcia:

In response to your inquiry concerning our actions with Mr. Michael Cain of SunDance Helicopters that in fact is known as SkyDance Helicopters and other Sedona Airport tenants, we are happy to provide you with the background information that forced us to add stronger regulations to maintain safety and order at the Airport.

It became clear to the Sedona Airport Board of Directors in 1998 that an experienced and professionally trained airport manager would be required to meet the many challenges in the areas of safety, compliance, community relations, tenant administration and management reorganization facing Sedona Airport. In an effort to meet all of these challenges a nationwide search for a new airport manager was launched. Many highly qualified candidates were considered and interviewed during this effort. In July 1999, I was selected and appointed the new General Manager for Sedona Airport.

In my initial assessment period of the airport I was appalled by the amount of contempt and discourse the airport commercial tenants displayed to each other and the general public not to mention any airport administration official. The airport safety and business practices of many of the commercial tenants was just out right unacceptable. There was wholesale disregard of existing airport regulations, outright stealing of booked passengers from one commercial operator to another, deceptive signage all over the airport, the classic bait and switch technique of used car salesmen was routine for tour prices and services, physical blocking of entrance walkways by personnel or vehicles to direct customers from one company to another, harassing solicitation of airport visitors in public areas to the extent of informing these visitors of unsafe pilots or aircraft of a competing company regardless of any truth, distribution of NTSB Accident Reports of a competing company, complete disregard for the airports public relations with the community, attempted sabotage of aircraft and outright physical violence against personnel as well as aircraft.

Page Two:

I do not expect you to take my word for these statements so I am enclosing the actual incident reports for your review. The threat of violence was so apparent that I was forced to close the public scenic overlook due to a physical altercation between commercial tenant personnel witnessed by tourist visitors after a solicitation attempt between competing companies and the tourists. In another dangerous situation a SkyDance pilot placed nails in and around safety cones on the aviation ramp to cause aircraft damage or personnel injury to competitors. The final action that forced the added regulations of an Operating License as well as a Lease was a free for all fight on the aircraft hangar ramp in which both aircraft and a helicopter were in danger of destruction. The SkyDance helicopter landed on the ramp with disregard for the safety of adjacent hangar personnel or aircraft causing damage to an aircraft. In response the other companies' personnel of the threatened and damaged aircraft in fact hurled a wooden bench and other objects at the helicopter blades while wielding a baseball bat. The airport staff arrived to separate the dozen or so combatants before any further hostility developed or violence occurred.

The Operating License was initiated October 2000 on the advise of our Attorney due to the last outrageous incident. All commercial airport tenants have been required to sign the License since that incident. All commercial tenants that have had existing Leases expire have in fact signed the License. The SkyDance lease expired in March 2001 and we requested they relocate the helicopter to the FAA Approved Helipads located on the airport. They currently operate the helicopters in an unapproved location on the fixed wing aircraft ramp next to a busy restaurant. I have a report from our aviation consultant that states safety will be considerably improved with the relocation of the helicopters. It is standard FAA procedure to separate fixed wing and helicopter aircraft not to mention the close proximity of the restaurant. The complaint from Mr. Cain of SkyDance Helicopter is an attempt to continue to operate at his current location and defeat the airports attempts to upgrade safety. We will continue to improve the airport image, comply with regulations and upgrade safety for airport users wherever possible.

Please contact me with any other questions or concerns.

Very Truly,

Edward J. McCall, A.A.E.  
General Manager  
Sedona Airport

Enclosures

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# AREA UTILIZED BY SUNDANCE HELICOPTERS AT SEDONA AIRPORT

---

Submitted by  
AL BIEBER

**SAA AIRPORT SAFETY CONSULTANT**

My review of the area currently used by Sundance Helicopters was done in accordance with the requirements of AC 150/5390-2A, Chapters 1, 3 and 6 for Public Use General Aviation Heliports. This review was conducted under the direction of the Sedona Airport Authority.

Conformity with the standards of this advisory circular are required because the airport receives federal grants as noted in AC 150/5390-2A, Executive Summary, FAA Order 53.1(E) and number 34 of the grant assurance document.

Notification to the Federal Aviation Administration (FAA) is required on FAA Form 7480-1, since this area is not designated on the current Sedona Airport Layout Plan (ALP). Approach/takeoff paths and helicopter taxi routes should be identified in the ALP.

The basis for the size of a FATO is predicated on the length of the largest helicopter which uses the heliport and the altitude of the heliport. The dimension of a Bell 206L were used:

Maximum takeoff weight = 4,450 Lbs.

Total length = 43 feet

Main rotor diameter = 37 feet

Undercarriage length = 9.9 feet

Undercarriage width = 7.2 feet

Sedona Airport elevation is 4,827 feet.

The minimum dimension for the FATO (Reference Chapter 3):

**Width**

B-206L Length 43 ft. X 1.5: 64.5 Feet

Safety area 20 ft. each side: 40.0 Feet

**Total Width: 104.5 Feet**

**Length**

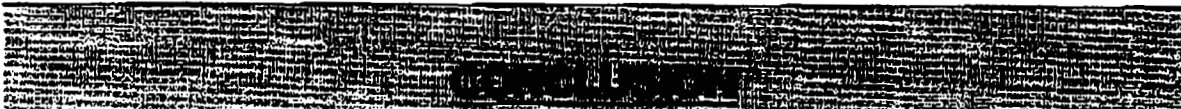
B-206L Length 43 ft. X 1.5: 64.5 Feet

Safety Area 20 ft. each side: 40.0 Feet

Site Elevation Compensation: 165.0 Feet (Chapter 3; Figure 3-2)

**Total Length: 269.5 Feet**

In accordance with the AC, the FATO would be 269.5 feet long and 104.5 feet wide. A transition area extends 197.75 feet on each side of the FATO which must be clear of obstructions at a slope of 2=1.



The subject area does not comply with the clearance from obstructions in the transition area. A restaurant on the northwest side of the FATO extends into the 2:1 obstruction area.

The area which is currently being used as a FATO contains a parked gas truck, an aircraft and two other vehicles which would not comply with the AC requirements.

Three feet of paved area currently used as a helipad/FATO lies within the taxiway obstruction-free area adjacent to the FATO.

**See Attachment 1 for Sundance Helicopter Area**



The taxi route must be designated and be obstruction-free to include the area equal to the rotor diameter plus 20 feet.

The parking area must provide at least 12.33 feet clearance from any part of the B-206L on its intended track. The taxi way to the parking area must be marked and the parking position marked with a 12 inch wide yellow circle.

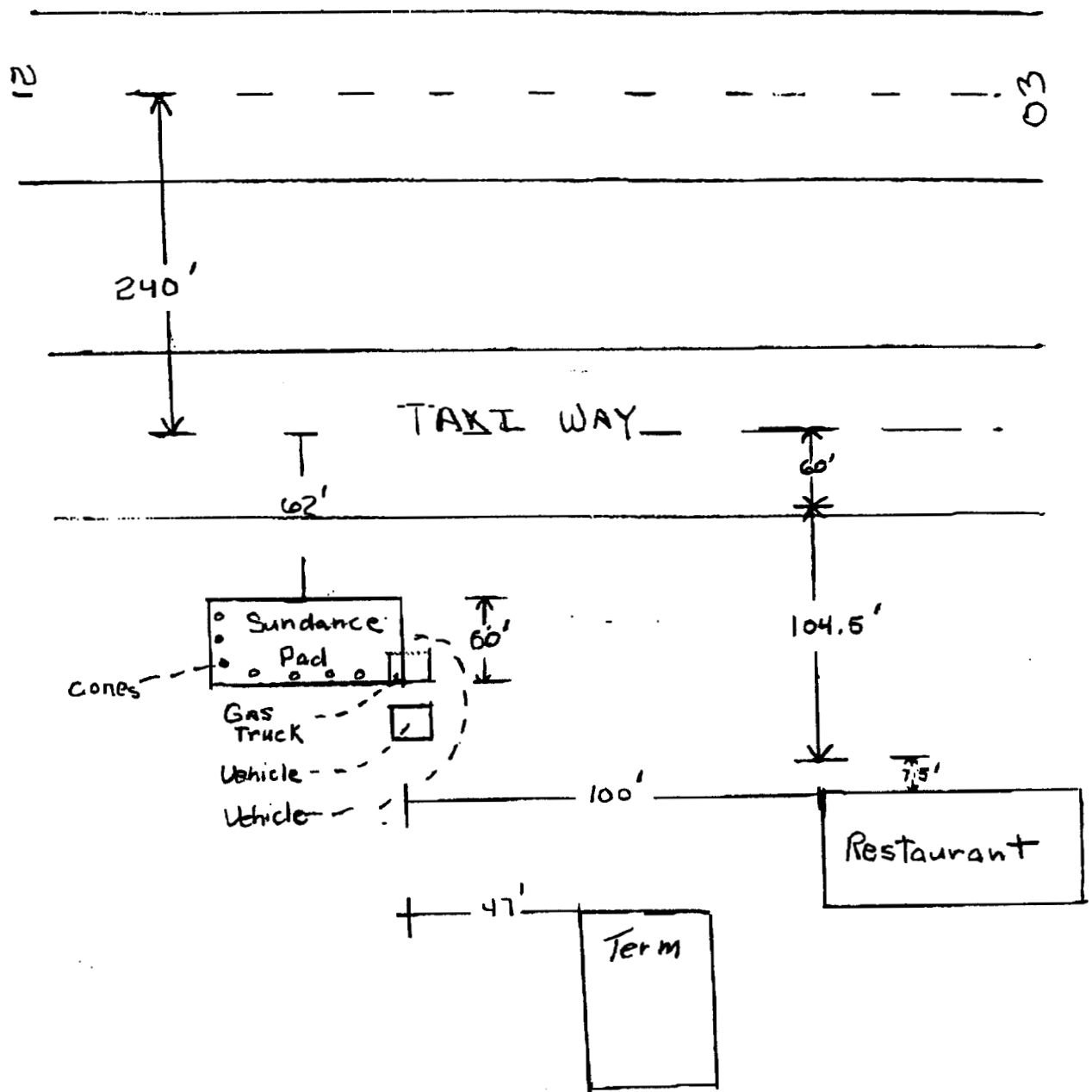
Vehicle traffic adjacent to the existing Sundance Helicopter operations area needs to be terminated or controlled to prohibit simultaneous operation.

Clearly defined markings for the taxi way and helicopter parking area must be established and used.

All obstructions must be removed to allow a clearance of 20 feet from any part of the helicopter. Fences must be erected for passenger control and a clearly defined walkway be created for passengers to approach the helicopter.

Aircraft fueling should be conducted in accordance with Para 17; i.e. engines shut down, no fueling during maintenance, all electrical equipment off and a clear path for removal of fueling equipment.

# Sundance Helicopter Area



NOT TO SCALE

R

**SPECTOR LAW OFFICES, P.C.**  
ATTORNEYS

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1785 WEST HIGHWAY 89A  
SUITE 3D  
SEDONA, AZ 86336  
TELEPHONE: (520) 282-3770  
FACSIMILE: (520) 282-0708

September 19, 2001

**(Via Facsimile (520) 284-9885)**

Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

**Re: SEDONA AIRPORT - SKYDANCE HELICOPTERS, INC.**

Dear Steve:

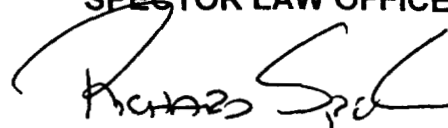
I am writing to confirm the contents of our conversation today. The Sedona Airport Administration's ("SAA") position is the same as articulated in my September 12, 2001 correspondence and previous discussions with you. We did, however, have a productive conversation regarding specific provisions of the License Agreement for Commercial Business Activities at the Sedona Airport. There are obvious issues that will need to be reviewed by the Board, including your proposed indemnification provision. However, once I receive the changes that we made to the License Agreement, I will forward it on to my client for its review.

In the interim, my client will submit the issues presented in your September 12, 2001 correspondence to the Federal Aviation Administration ("FAA"). My client will ask the FAA to make a determination whether or not the Standard Form License Agreement for Commercial Business Activities at the Sedona Airport signed by three (3) other operators at the Sedona Airport is discriminatory as alleged by Skydance. If the FAA determines that it is discriminatory, we will reconsider our position.

SAA will extend the time your client may occupy the premises until the FAA makes its decision. Hopefully, we can expect a decision from the FAA within the next two to three months. SAA does not waive its rights to evict your client pursuant to the Ten Day Notice to Quit sent certified mail on August 30, 2001, or any other right or remedy provided by the Lease or law.

Very truly yours,

**SPECTOR LAW OFFICES, P.C.**

  
Richard Spector

RS/an  
cc: Edward "Mac" McCall (via fax)

# MEMORY TRANSMISSION REPORT

TIME : SEP-19-01 02:37PM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 721  
DATE : SEP-19 02:36PM  
TO : 15202849885  
DOCUMENT PAGES : 02  
START TIME : SEP-19 02:36PM  
END TIME : SEP-19 02:37PM  
SENT PAGES : 02  
STATUS : OK  
FILE NUMBER : 721

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Suite 3D  
Sedona, Arizona 86336  
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Fax: (520) 282-0708

### FACSIMILE TRANSMITTAL COVER SHEET

Date: September 19, 2001

TO: Name: Steven R. Owens, Esq. Name: \_\_\_\_\_  
Firm: \_\_\_\_\_ Firm: \_\_\_\_\_  
Fax #: (520) 284-9885 Fax #: \_\_\_\_\_  
FROM: Richard Spector NUMBER OF PAGES: 2  
(including cover sheet)

### COMMENTS:

RE: Sedona Airport - See attached September 19, 2001 correspondence.

In case of Transmission problem, please call (480) 941-0221.

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S



## **Sedona Airport Administration**

235 Air Terminal Drive • Sedona, Arizona 86336

Tel: 928-282-4487 • Fax: 928-204-1292

November 5, 2001

Mr. Tony Garcia  
Airports Division, AWP-620.1  
Federal Aviation Administration  
P.O. Box 92007  
Los Angeles, CA. 90009

Dear Mr. Garcia:

This letter is in response to the latest allegations of misrepresentation sent to you by SkyDance Helicopters. Once again these new allegations are an attempt to postpone, delay and obfuscate the Airports desire to improve safety as well as require appropriate business practices. Since our last correspondence with you the Airport has been required to respond to continued complaints about SkyDance business practices and the operation of the helicopter. I have enclosed two letters of complaint from public citizens and two letters we were forced to send SkyDance due to their continued violations of Airport regulations. If there is any misrepresentation it seems to be the routine business practice of SkyDance Helicopters.

There is nothing inconsistent with our facts as misrepresented by SkyDance Helicopters. The Airport Board of Directors approved the preparation and adoption of the Operating License in October 2000. Some months were required to consult with our attorney on the final document. The document speaks for itself. We are attempting to control unacceptable business practices that we have well documented with you. The dispute with SkyDance Helicopters has now gone on over one year. In the beginning we had no reason to believe this dispute would continue to this point. We believed issuing the documents would be a routine matter. Upon review of our files it does indicate SkyTreks lease was issued in January 2001 prior to the completion of the final Operating License document well before March 2001 when SkyDance should have signed the new documents. This situation was a staff oversight not a misrepresentation, SkyTreks moved to a new area of the Airport and the procedures for the documents were in transition. Similarly with AeroVista, Jack Huffman's former company, that in fact does not now have any presence on the Airport and is out of business.

Page Two:

These delaying tactics are allowing SkyDance to continue with their unacceptable business practices and defeating our attempts to improve safety at the Airport. Just as a matter of further clarification on discrimination of helicopters the other helicopter company based here at the Airport did in fact sign all the documents and uses the approved helipads. We do in fact intend to evict SkyDance Helicopters on Monday, November 12, 2001 if they do not comply with relocating the helicopter landing area to the approved helipads and sign all documents requiring compliance with acceptable business practices.

Please feel free to contact us with any further question or concerns. We look forward to your continued support to bring the Airport into compliance with safety and business operations that are acceptable.

Very Truly,

Mac McCall, A.A.E.  
General Manager  
Sedona Airport

Enclosures





## **Sedona Airport Administration**

235 Air Terminal Drive • Sedona, Arizona 86336

Tel: 928-282-4487 • Fax: 928-204-1292

October 24, 2001

Mr. Michael Cain  
SkyDance Helicopters  
1225 Airport Road #5  
Sedona, AZ. 86336

Dear Mr. Cain:

In response to your letter of this morning...No meeting is required.

The Airport policy is clear, there is NO soliciting on Airport property.

You need to inform your employees and staff not be concerned about other operators employees. We... will also require cooperation from other operators.

We are not about to remove Airport property leased on an as is basis. That applies to our Red Rock BiPlane porch and the walkway to the entrance to our building that Red Rock BiPlane also wants "Ripped Up" because SkyDance employees block the entrance to that business.

Furthermore, If violations continue we will revisit the eviction procedure on this issue.

Very Truly,

A handwritten signature in black ink, appearing to read "Mac McCall". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Mac McCall, A.A.E.  
General Manager  
Sedona Airport

## **POLICY STATEMENT**

**The airport has developed a plan of positive initiatives for renewed community relations. In a review of airport policy as a result of these initiatives, solicitation on the airport property by commercial tenants is under observation. It is not consistent with airport policy to allow solicitations that would in fact harm the new initiatives.**

**We therefore request you instruct your employees that no abusive actions occur during sales solicitations. That would include numerous encounters with the same person, unprofessional behavior or disrespect of other commercial tenant's services. These activities reflect on the entire airport community and are not in the best interest of any organization.**

**Be it resolved that, in accordance with the Arizona Revised Statutes Annotated Title 28. Transportation Chapter 25. Aviation Article 6. Airports in General (s 28-8424 Nonprofit corporation lessees; status; authority.), the following rules shall be adopted:**

**Posting of any sign on airport property shall be prohibited unless the Airport Authority approves the content, appearance and location of the sign in writing prior to posting of the sign. Sign posting in violation of this requirement shall not be tolerated and the Airport Authority will in fact remove the sign.**

**Any solicitations on airport property shall be prohibited provided, however, that airport tenants and other persons or entities approved by the Airport Authority may solicit on airport property so long as such solicitation is performed within the current guidelines published from time to time by the Airport Authority.**

On October 29, 2001 we made arrangements with Skyplane Helicopters for a \$400 tour. When we got there they talked us talked until we agreed to the \$600 flight. Changing flights requires a four hour delay. While waiting we recovered and charge slip at it was for \$180. When we confronted them they said: "we've changed too much" and then "if a single showed up" they could take me for the original quote "of \$100 we were subjected to an illegal but not airtight."

Markus Casella  
703-941-1600 x1120

October 22, 2001

Mr. Michael Cain  
SkyDance Helicopter  
1225 Airport Road #5  
Sedona, AZ. 86336

Dear Mr. Cain:

There seems to be a recent continuation of the long standing disputes between your employees and staff and your competitors. I would remind you that the Airport will not condone business practices that may affect the Airport community at large.

Please once again review the enclosed regulations and instruct your employees and staff accordingly.

Very Truly,

Mac McCall, A.A.E.  
General Manager  
Sedona Airport

c.c. D. Hunt / Yavapai County

Enclosures

10/29/01

Harry,

I felt the need to write you a brief letter in order to inform you of a situation that occurred today. My father and I were on our way in to Red Rock to schedule our flight when we were abruptly approached by a woman from Sky Dance (the helicopter place right next door). She proceeded to tell us not to take a Bi-Plane tour because her helicopters were tremendously better. She was so pushy and curt that it made me want to leave. My father, however, had promised ~~me~~ this flight to me months before so we proceeded forward! I thought you should know this little fact because it may end up costing you business if someone doesn't address this. Maybe you can have a more defined or separated entrance? I wish you the best of luck and thank you for your time.

Sincerely,

Shari Purdie

Own  
Your  
World

T

**SPECTOR LAW OFFICES, P.C.**

**Attorneys**

6900 EAST CAMELBACK ROAD  
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TOTTSDALE, ARIZONA 85251  
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270 NORTH HIGHWAY 89A  
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SEDONA, AZ 86336  
TELEPHONE (928) 282-3770  
FACSIMILE: (928) 282-0708

November 6, 2001

**(Via U.S. Mail & Facsimile (520) 284-9885)**

Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

**Re: SEDONA AIRPORT - SKYDANCE HELICOPTERS, INC.**

Dear Mr. Owens:

I received a copy of your October 31, 2001 letter to Tony Garcia at the Federal Aviation Administration ("FAA"). Without waiving my client's right to object to any and all accusations and allegations made therein, we are simply writing to inform you that Spector Law Offices, P.C. will continue to represent the Sedona Airport Authority and Sedona Airport Administration's in any and all disputes including your contemplated court action for injunctive relief. Either Al Spector or myself will be available at any time between now and November 12, 2001 to attend a Temporary Restraining Order hearing.

Very truly yours,

**SPECTOR LAW OFFICES, P.C.**

  
Richard Spector

RS/an

cc: Edward "Mac" McCall (via fax)

# MEMORY TRANSMISSION REPORT

TIME : NOV-06-01 09:57AM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 626  
DATE : NOV-06 09:56AM  
TO : 15202849885  
DOCUMENT PAGES : 02  
START TIME : NOV-06 09:56AM  
END TIME : NOV-06 09:57AM  
SENT PAGES : 02  
STATUS : OK

FILE NUMBER : 626

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Sedona, Arizona 86336  
Ph: (520) 282-3770  
Fax: (520) 282-0708

### FACSIMILE TRANSMITTAL COVER SHEET

Date: November 6, 2001

TO: Name: Steven R. Owens, Esq. Name: \_\_\_\_\_  
Firm: \_\_\_\_\_ Firm: \_\_\_\_\_  
Fax #: (520) 284-9885 Fax #: \_\_\_\_\_

FROM: Richard Spector NUMBER OF PAGES: 2  
(including cover sheet)

### COMMENTS:

RE: Sedona Airport - See attached November 6, 2001 correspondence.

In case of Transmission problem, please call (480) 941-0221.

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*U*

# THE LAW OFFICE OF STEVEN R. OWENS, P.C.

---

Steven R. Owens, Attorney at Law

*Admitted to practice before the courts of Arizona and Colorado*

25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804  
Telephone (928) 284-0899  
Mobile Telephone (928) 300-1211  
Telecopier (928) 284-9885  
E-mail owens@sedona.net

November 9, 2001

## ***VIA CONFIRMED FACSIMILE AND U.S. MAIL***

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
6900 East Camelback Road, Suite 640  
Scottsdale, Arizona 85251

**Re:** Sedona Airport  
My client, Skydance Helicopters, Inc.

Dear Richard,

My client has received Mr. McCall's letter of October 29, 2001 and I have received your letter of November 6, 2001. I understand that we are to serve any process upon your office and will honor that request. In response, I have received authorization from my client to accept service on behalf of my client, and would request that you serve me with any process for my client. I will direct my secretary to accept service in the event that I am not available.

My client believes that it is unfortunate that Mr. Garcia did not fulfill our request to mediate this matter, and instead simply provided a non-binding advisory opinion. As you are aware, the FAA regulations hold that his opinion has no weight. We had hoped that he would do as we requested, which is mediate this matter, and are disappointed by his refusal.

My client stands ready to perform under the November 1, 2000 agreement, and will execute the lease in the form upon which we have agreed. Although I am sure that my client's position has been made clear, I will clarify that, while it will perform all of its agreements set forth in the November 1, 2000 agreement, and will enter into and abide by the terms of the lease we have agreed upon, it will not execute the unreasonable form of Operations License which has been provided, which includes provisions that the license can be terminated at will

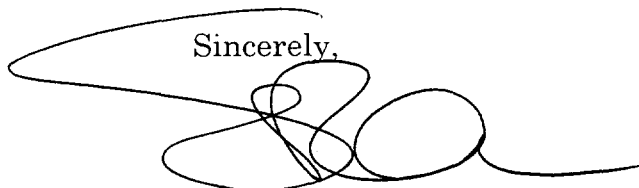
and without any cause and which would deprive my client of numerous due process rights which it holds.

While we administratively appeal Mr. Garcia's action, I would request that your client forbear from taking any rash actions which would damage my client's longstanding operations. My client will continue to honor the November 1, 2000 agreement and requests that your client do so as well. As you know, my client has not breached any promises or agreements with the Authority and has carefully followed not only the terms of the November 1, 2000 agreement, but all other agreements, rules and regulations. We request the same.

If your client refuses to honor its November 1, 2000 agreement, or to forbear from taking rash actions, by this letter I am requesting on behalf of my client that, out of consideration to the various members of the public who have booked helicopter tours in advance, your office timely serve us with notice of any court proceedings you may commence in order to evict my client from the airport (as your client has threatened), so that my client can take appropriate steps to contact its customers. In this regard, I will be happy to waive official service and you may transmit any pleadings to me by facsimile along with a waiver of service document.

By this letter I am also placing the Authority on notice that my client will hold the Authority liable for any and all damages it may incur as a result of the actions of the Authority—if the ultimate administrative or judicial factfinder disagrees with Mr. Garcia's opinion, the Authority will bear the liability for any actions it takes based upon that non-binding opinion.

Sincerely,

A handwritten signature in black ink, appearing to be "SRO", with a long horizontal line extending to the right.

Steven R. Owens

SRO:mja



**SPECTOR LAW OFFICES, P.C.**  
**Attorneys**

900 EAST CAMELBACK ROAD  
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SCOTTSDALE, ARIZONA 85251  
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FACSIMILE: (480) 990-9093

270 NORTH HIGHWAY 89A  
SUITE 11  
SEDONA, AZ 86336  
TELEPHONE (928) 282-3770  
FACSIMILE: (928) 282-0708

November 9, 2001

**(Via Facsimile (520) 284-9885)**

Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

**Re: SEDONA AIRPORT - SKYDANCE HELICOPTERS, INC.**

Dear Mr. Owens:

Thank you for your letter of November 9, 2001. There is no November 1, 2000 agreement. There is no lease. Your client is a tenant at will. My client's position was made clear in its letter dated October 29, 2001 to Mr. Cain and speaks for itself. No elaboration is necessary. Sedona Airport Authority expects your client to voluntarily vacate all previously leased areas by 5 p.m. on Monday, November 12, 2001.

Very truly yours,

**SPECTOR LAW OFFICES, P.C.**



Richard Spector

RS/an

cc: Edward "Mac" McCall (via fax)

**SPECTOR LAW OFFICES, P.C.  
ATTORNEYS**

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Sedona, Arizona 86336  
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Fax: (520) 282-0708

***FACSIMILE TRANSMITTAL COVER SHEET***

Date: November 9, 2001

TO:    **Name:** Steven R. Owens, Esq.                   **Name:** \_\_\_\_\_  
          **Firm:** \_\_\_\_\_                                   **Firm:** \_\_\_\_\_  
          **Fax #:** (520) 284-9885                       **Fax #:** \_\_\_\_\_

FROM: Richard Spector

**NUMBER OF PAGES:** 2  
(including cover sheet)

**COMMENTS:**

**RE: *Sedona Airport - See attached November 9, 2001 correspondence.***

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MEMORY TRANSMISSION REPORT

TIME : NOV-09-01 02:33PM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 698  
DATE : NOV-09 02:30PM  
TO : 15202849885  
DOCUMENT PAGES : 02  
START TIME : NOV-09 02:30PM  
END TIME : NOV-09 02:33PM  
SENT PAGES : 02  
STATUS : OK

FILE NUMBER : 698

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Ph: (520) 282-3770  
Fax: (520) 282-0708

FACSIMILE TRANSMITTAL COVER SHEET

Date: November 9, 2001

TO: Name: Steven R. Owens, Esq. Name: \_\_\_\_\_  
Firm: \_\_\_\_\_ Firm: \_\_\_\_\_  
Fax #: (520) 284-9885 Fax #: \_\_\_\_\_

FROM: Richard Spector

NUMBER OF PAGES: 2  
(Including cover sheet)

COMMENTS:

RE: Sedona Airport - See attached November 9, 2001 correspondence.

In case of Transmission problem, please call (480) 941-0221.

CONFIDENTIALITY NOTICE

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W



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**THE LAW OFFICE OF STEVEN R. OWENS, P.C.**

---

**Steven R. Owens, Attorney at Law***Admitted to practice before the courts of Arizona and Colorado*

25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804  
Telephone (520) 284-0899  
Mobile Telephone (520) 300-1211  
Telecopier (520) 284-9885  
E-mail owens@sedona.net

November 14, 2001

**VIA CONFIRMED FACSIMILE AND U.S. MAIL**

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
6900 East Camelback Road, Suite 640  
Scottsdale, Arizona 85251

**Re: Skydance Helicopters**

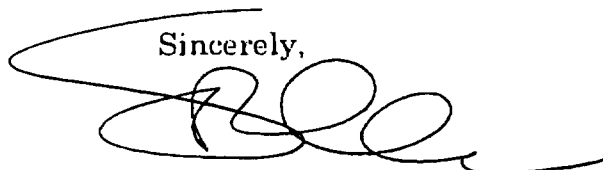
Dear Mr. McCall,

On behalf of my client, Skydance Helicopters, Inc., I am hereby informing you that your client's seizure of my client's office space is wrongful and constitutes a Forcible Entry and Detainer pursuant to A.R.S. §12-1171.

Demand pursuant to is hereby made pursuant to A.R.S. §12-1171(3) that your client immediately return possession of the premises to my client. Your client may tender possession of the premises to my client by making arrangements through my office for turnover of keys. Please respond immediately.

My client will hold the authority responsible for any damages it incurs as a result of this wrongful action. As always, please don't hesitate to contact me should you have any questions or comments.

Sincerely,



Steven R. Owens

SRO:mja

cc: Grady Tate, Statutory Agent of Sedona Oak Creek Airport Authority

*X*

FILED

NOV 14 2001

VERDE VALLEY JUSTICE COURT

LAW OFFICE OF STEVEN R. OWENS P.C.

STEVEN R. OWENS, ESQ., Bar # 13994

SUITE A

25 BELL ROCK PLAZA

SEDONA, ARIZONA 86351-8804

TELEPHONE (520)284-0899

TELEFAX (520)284-9885

Attorney for Plaintiff

IN THE VERDE VALLEY JUSTICE COURT  
IN AND FOR THE COUNTY OF YAVAPAI

SKYDANCE HELICOPTERS, INC., a  
California corporation qualified and  
doing business in Arizona as  
SKYDANCE OPERATIONS, INC.,  
AND SKYDANCE HELICOPTERS,  
INC.,

Plaintiff,

v.

SEDONA OAK-CREEK AIRPORT  
AUTHORITY, an Arizona non profit  
corporation,

Defendant.

Civil Action No.: CV 20016686

SWORN COMPLAINT IN  
FORCIBLE ENTRY AND  
DETAINER

Plaintiff Skydance Helicopters, Inc., a California corporation qualified and doing business in Arizona as Skydance Operations, Inc., and Skydance Helicopters, Inc., by and through its undersigned attorney states as its claim for relief against the Defendant Sedona Oak-Creek Airport Authority, an Arizona non profit corporation:

1. Plaintiff is duly qualified to transact business in the State of Arizona, and transacts business within the Verde Valley Judicial District of Yavapai County, Arizona.

2. Defendant operates the Sedona Airport pursuant to a long term lease agreement with Yavapai County, and therefore carries on business within the Verde Valley Judicial District of Yavapai County, Arizona.

3. The leases at issue in this matter were entered into within the Verde Valley Judicial District of Yavapai County, Arizona.

4. Therefore, this court has jurisdiction over the subject matter and parties to this matter pursuant to A.R.S. §22-201(D), and venue is proper in this Court.

5. Although organized as a corporation, Plaintiff is a family owned business which has conducted operations at the Sedona Airport since 1994, and has built a long and well-established business conducting air tours and air taxi operations. Pursuant to this longstanding presence at the Sedona Airport, Plaintiff and Defendant entered into two associated BUILDING, HANGAR, HANGAR PAD OR TIE DOWN SPACE LEASE SEDONA AIRPORT lease agreements on April 25, 1997. True and accurate copies of these lease agreements (together, the "Leases") are attached hereto as Exhibits A and B. Pursuant to A.R.S. §12-1175(B) Plaintiff states that the leased premises is described in the Leases.

6. Pursuant to Sections 1.8 and 1.15 of the Leases, the Leases were to expire on March 31, 2001.

7. In October of 2000 Plaintiff and Defendant had several disputes related to the Leases. In resolution of this dispute, on November 1, 2000 the Defendant prepared and submitted by and through its duly authorized manager, Mac McCall, a letter agreement, executed by both parties, which resolved all disputes and which provided that Plaintiff would be granted a 30-year lease for construction of hangar and office facilities (the "Letter Agreement"). A true and accurate copy of the Letter Agreement is attached hereto as Exhibit C.

1           8. Pursuant to the Letter Agreement, the Defendant stated "You [Plaintiff]  
2 would continue to use your current leased area until completion of the new facilities."  
3 The letter agreement set forth the various terms and conditions to be set forth in more  
4 detail in the promised 30-year lease.

5           9. In reliance upon this promise of the Defendant to provide a 30-year lease  
6 and to allow Plaintiff to continue to use its current leased area until completion of the  
7 new facilities, Plaintiff did not request or obtain new leases when the Leases expired,  
8 relying upon the Letter Agreement as an extension of the existing Leases for a term  
9 which would end when the new facilities were completed.

10          10. Plaintiff and Defendant negotiated the terms of the new 30-year lease, and  
11 reached agreement on the terms of the new 30-year lease in August, however the lease  
12 was never provided to Plaintiff, and Plaintiff was never given the opportunity to  
13 execute the promised 30-year lease.

14          11. Defendant waived any objection to the Letter Agreement serving as an  
15 extension of the Leases by establishing a course of business that the Leases were still  
16 in effect, by collecting rent under the terms of the Leases and by acting in all regards  
17 as if the Letter Agreement was a valid extension of the existing Leases for a term  
18 which would end when the new facilities were completed. Therefore it was reasonable  
19 for Plaintiff to rely upon the promises of Defendant set forth in the November 1, 2001,  
20 letter.

21          12. Plaintiff has continued to pay the rent due under the Leases, including the  
22 November 2001 rent which was tendered to the Defendant and accepted by the  
23 Defendant on or about November 5, 2001. Defendant is in all other respects in full  
24 compliance with all requirements and promises set forth in the Leases and the Letter  
25 Agreement.

1           13. As recently as November 9, 2001, Plaintiff has offered in writing to  
2 execute a 30-year lease, if the Defendant would simply prepare and present it.  
3 Defendant has failed to do so.

4           14. After Defendant induced Plaintiff to forego execution of a new lease on  
5 April 1, 2001 by extending the Letter Agreement and by acting as if the Letter  
6 Agreement were an extension of the existing Leases for a term which would end when  
7 the new facilities were completed, and after Plaintiff reasonably relied upon  
8 Defendant's promises and the Letter Agreement, Defendant then unilaterally  
9 attempted to terminate the Letter Agreement and the Plaintiff's tenancy by  
10 characterizing the Plaintiff as a holdover tenant on a month to month tenancy.

11           15. Although Plaintiff is in full compliance with the terms of the Leases and  
12 the Letter Agreement, and is fully paid up on all of its rental obligations through  
13 November 30, 2001, Defendant wrongfully entered the Plaintiff's leased sales office by  
14 force, locked Plaintiff out of its leased sales office on November 12, 2001, tore down all  
15 of Plaintiff's legal and conforming signage, and posted large signs in the window  
16 stating that Defendant had reentered the Plaintiff's sales office and would have any  
17 persons entering those premises arrested for trespass.

18           16. Plaintiff is entitled to quiet enjoyment of the leased space pursuant to the  
19 Leases, the Letter Agreement and the Defendant's course of action, and therefore  
20 Defendant is guilty of Forcible Entry and Detainer pursuant to A.R.S. §12-1171(1).  
21 Plaintiff has made written demand for possession of the premises and, as of the time of  
22 filing of this Complaint, Defendant has refused to surrender possession of the leased  
23 premises.

1 WHEREFORE, Plaintiff prays and demands judgment as follows:

- 2 A. Defendants be found guilty of forcible detainer pursuant to A.R.S. §  
3 12-1171 and ordered to leave and vacate subject premises and  
4 Plaintiff be placed in possession thereof.
- 5 B. In the event that Defendants fail or refuse to leave subject premises  
6 according to the order of this Court, that the Clerk of this Court  
7 issue to the Plaintiff, without further notice and without further  
8 order of this Court, a Writ of Restitution.
- 9 C. Defendant be ordered to refund to Plaintiff a fair rental on the  
10 premises for the period of time Plaintiff was denied access.
- 11 D. For court costs expended and for such other and further relief as  
12 this Court may deem just and proper.

13 DATED and respectfully submitted November 14<sup>th</sup>, 2001

14 THE LAW OFFICE OF STEVEN R. OWENS, P.C.

15  
16  
17  
18



19 Steven R. Owens, Esq.  
20 Attorney for Plaintiff  
21  
22  
23  
24  
25  
26

VERIFICATION

STATE OF ARIZONA )  
Yavapai County )ss  
)

I, MICHAEL B. CAIN, being first duly sworn, affirm under penalty of perjury:

1. I am an adult, a resident of Yavapai County, Arizona, and am competent to testify in this matter;
2. I am an officer, director and shareholder of Plaintiff Skydance Helicopters, Inc., a California corporation qualified and doing business in Arizona as Skydance Operations, Inc., and Skydance Helicopters, Inc., and am authorized to submit this verification on behalf of Plaintiff;
3. I have carefully reviewed all of the factual allegations contained and set forth in the foregoing Complaint and hereby affirm that they are true in substance and fact; or if they are stated upon information and belief, I believe that they are true in substance and in fact, based upon the information available to me.

  
Michael B. Cain

SUBSCRIBED AND SWORN TO before me on this 14<sup>th</sup> day of November, 2001.

  
Notary Public

My commission expires:

SEAL



**EXHIBIT “A”**

Y

# Skydance Helicopters awaits court date

*Co-owner wants judge to allow him to reopen business*

By James Goodwin  
SEDONA RED ROCK NEWS

The helicopter tour operator who was evicted from the Sedona Airport two weeks ago is awaiting his day in court.

Last week, Michael Cain, co-owner of Skydance Helicopters, asked the Verde Valley Justice Court to allow him to reopen, at

least temporarily, until the correct authority ruled on whether or not his eviction was legal.

The judge decided the court didn't have jurisdiction over the matter and referred it to Yavapai County Superior Court.

"We just wanted to get our doors open again," Cain said.

He said he didn't expect a day in superior court for three to four weeks.

On Nov. 13, Sedona Airport Manager Mac McCall evicted Skydance after Cain refused to sign an operator's license contract. The contract, which is separate from a lease, allows the air-

port to cancel a business owner's lease without cause, Cain said.

McCall has said the contract, which he has asked all commercial operators at the airport to sign, is strict but perfectly legal.

The contracts are necessary, he said, to cut down on problems the airport has had with commercial operators in the past.

Cain said he felt that by signing the contract he would give up his right to pursue any future appeal with the courts or the Federal Aviation Administration.

He has cleaned out his office at the airport and must clear out his hangar by today, he said.

The operator plans to move most of his equipment to his company's other base, in Minden, Nev.

He has relocated one helicopter to Cottonwood Airport to fulfill his contract to ferry people and supplies to the Havasupai Indian Reservation, a portion of which is located in a canyon off the Grand Canyon.

Skydance will lay off at least five employees because of the eviction, Cain said, and he plans to move his family, although he's not yet sure to where.

He also plans to file a complaint with the FAA, he said.

## Iron goes flying, injurs man in domestic dispute

A Cottonwood woman was arrested after an iron she threw hit a man who was helping her live-in boyfriend move out.

Cottonwood police officers were called to an apartment in the 1700 block of East Elm Street

boyfriend told the officers his girlfriend, Claire Anne Waggoner, 18, had broken off the relationship and told him to move out.

As he was gathering his things, Waggoner began throwing out items, according to Cottonwood

a man who was helping the boyfriend move and caused a red mark on his back, the report stated. Officers arrested Waggoner, cited her for criminal damage and disorderly conduct per domestic violence and released on her own

cers noticed the boyfriend, Mitchell Ray Peterson, 19, had bloodshot, watery eyes and a moderate odor of an intoxicating beverage on his breath.

The officers cited and released Peterson for underage drinking.



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# THE LAW OFFICE OF STEVEN R. OWENS, P.C.

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**Steven R. Owens, Attorney at Law**

*Admitted to practice before the courts of Arizona and Colorado*

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Telecopier (928) 284-9885  
E-mail [owens@sedona.net](mailto:owens@sedona.net)

***VIA FACSIMILE AND U.S. MAIL***

December 13, 2001




Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
6900 East Camelback Road, Suite 640  
Scottsdale, Arizona 85251

**Re: Skydance Helicopters v. Sedona Oak-Creek  
Airport Authority  
Case Number: CV20016686**

Dear Richard,

I have received the enclosed notice from the Superior Court, which indicates that the Superior Court has treated the Justice Court's action as an appeal. Of course this is incorrect, but for the reason noted below, this error is a moot point.



Our FED was brought as a final last-ditch effort to reverse the Authority's wrongful eviction and to minimize the damage that wrongful eviction caused my client. Unfortunately, Judge Wyle incorrectly determined that "title or ownership will be a subject of inquiry" and refused to hear the matter. Obviously, he was wrong on that point, since we did at no time dispute the Authority's title to its leasehold, but his error and the resulting delay caused by the transfer to the Superior Court caused too great a passage of time to occur. This case clearly illustrates the truth of the old adage; "justice delayed is justice denied."

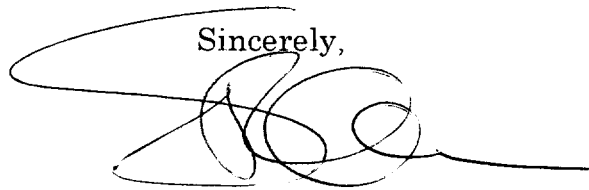
Because my client needed to either obtain possession on Wednesday, November 21, 2001 or let all of his employees go, it was forced to terminate its employees and liquidate its business in Sedona.

Therefore, because success upon appeal of Judge Wyle's erroneous ruling would be an empty victory, and would accomplish nothing of any use to my client, my client has instructed me to simply let the time set forth in the enclosed notice of appeal pass without action and to let the FED action be dismissed.

Accordingly, your client's long campaign to destroy my client's business and force it off of the Sedona airport, while wrongful, has been successful. My client has been struck a mortal blow to its operations in Sedona from which it cannot recover even if it were to prevail in obtaining injunctive relief. Your client may take some satisfaction in knowing that it not only destroyed a thriving business and several families' livelihoods, but it destroyed one on the oldest family-run air tour businesses in America with a nationwide reputation for quality.

It is my understanding that there are at this moment no currently pending issues between our clients, and so I am simply writing as a courtesy so that you will understand that you need take no action with regard to the FED action and the enclosed notice. However, if you or your client need to contact my client for any reason in the future, you may do so care of my office. Again, and as always, please don't hesitate to contact me with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to be "SRO", with a large, sweeping horizontal stroke underneath.

Steven R. Owens

SRO:mja

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF YAVAPAI

CASE NO. CV 82001 0335

DATE: November 29, 2001

TITLE:

COUNSEL:

SKYDANCE HELICOPTERS, INC

Mr. Steven R. Owens  
25 Bell Rock Plaza, Suite A  
Sedona, Arizona 86351-8804

vs

SEDONA OAK-CREEK AIRPORT AUTHORITY

---

NOTICE OF LOWER COURT APPEAL RECEIVED (299)

---

Please note the above referenced matter has been received by the Superior Court and docketed under CV 82001 0335, Division Three. Pursuant to Rule 12, Arizona Rules of Practice. Superior Court Rules of Appellate Procedure - Civil, the Appellant's filing fee of \$130.00 is due within 20 days of this Notice. If the Appellant fails to pay the filing fee, this matter shall be returned to the Lower Court.

c: Mr. Richard Spector, 6900 E Camelback Rd, Ste 640, Scottsdale, Arizona 85251





**JUSTICE COURT - VERDE VALLEY PRECINCT, YAVAPAI COUNTY, ARIZONA**

10 South Sixth St, Cottonwood, Arizona 86326

Phone Number 928-639-5820

SKYDANCE HELICOPTERS, INC,a )  
California Corporation; SKYDANCE )  
OPERATIONS, INC AND SKYDANCE )  
HELICOPTERS, INC. )  
Plaintiff(s) )  
  
VS )  
SEDONA OAK-CREEK AIRPORT )  
AUTHORITY )  
Defendant(s)

Case No: CV20016686

ORDER TRANSFERRING CASE  
TO SUPERIOR COURT

It is the position of a party to this action that title and ownership of real property is an issue in this case, and that title or ownership will be a subject of inquiry. It is there ORDERED that no further proceedings be held in this Court, and that all papers, together with a certified copy of docket entries in this action, be forthwith forwarded to the Superior Court, where the action shall be docketed and determined as though originally brought in the Superior Court. Any trial date in the above-entitled Justice Court is vacated.

  
JUSTICE OF THE PEACE, PRO TEM

Copies of the foregoing  
mailed to:

Skydance Helicopters, Inc  
c/o Steven R Owens  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-8804

Sedona Oak-Creek Airport Authority  
c/o Richard Spector  
6900 East Camelback Rd, Suite 640  
Scottsdale, AZ 85251



**SPECTOR LAW OFFICES, P.C.**

**Attorneys**

6900 EAST CAMELBACK ROAD  
SUITE 640  
COTTSDALE, ARIZONA 85251  
TELEPHONE (480) 941-0221  
FACSIMILE: (480) 990-9093

270 NORTH HIGHWAY 89A  
SUITE 11  
SEDONA, AZ 86336  
TELEPHONE (928) 282-3770  
FACSIMILE: (928) 282-0708

December 17, 2001

**(Via Facsimile (520) 284-9885)**

Steven R. Owens, Esq.  
The Law Offices of Steven R. Owens, P.C.  
25 Bell Rock Plaza, Suite A  
Sedona, AZ 86351-1211

**Re: SKYDANCE HELICOPTERS, INC. v. SEDONA AIRPORT  
CV2001-6686**

Dear Steve:

Thank you for your letter of December 13, 2001. While I strongly disagree with your characterization of the case, Judge Wyle's decision, or my client's intent, we acknowledge your representation that your client will not take any action to prosecute the FED action. I also understand your correspondence to mean that your client will not take any legal action against the Sedona Oak Creek Airport Authority d/b/a Sedona Airport, its officers, directors or employees.

Based on your representation, I have instructed my client to immediately take action to re-let the leased premises.

Very truly yours,

**SPECTOR LAW OFFICES, P.C.**



Richard Spector

RS/an

cc: Sedona Airport (via fax)

MEMORY TRANSMISSION REPORT

TIME : DEC-17-01 09:59AM  
TEL NUMBER : 4809909093  
NAME : Spector Law Office

FILE NUMBER : 428  
DATE : DEC-17 09:58AM  
TO : 15202041292  
DOCUMENT PAGES : 02  
START TIME : DEC-17 09:59AM  
END TIME : DEC-17 09:59AM  
SENT PAGES : 02  
STATUS : OK

FILE NUMBER : 428

\*\*\* SUCCESSFUL TX NOTICE \*\*\*

SPECTOR LAW OFFICES, P.C.  
ATTORNEYS

8900 E. Camelback Road  
Suite 640  
Scottsdale, Arizona 85251  
Tel: (602) 941-0221  
Fax: (602) 890-9093

1785 W. Highway 89A  
Suite 3D  
Sedona, Arizona 86336  
Ph: (520) 282-3770  
Fax: (520) 282-0708

FACSIMILE TRANSMITTAL COVER SHEET

Date: December 17, 2001

TO: Name: Mac McCall Name: \_\_\_\_\_  
Firm: Sedona Airport Administration Firm: \_\_\_\_\_  
Fax #: 520-204-1292 Fax #: \_\_\_\_\_

FROM: Richard Spector

NUMBER OF PAGES: 2  
(including cover sheet)

COMMENTS:

RE: Sedona Airport

In case of Transmission problem, please call Ana at 941-0221.

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## THE LAW OFFICE OF STEVEN R. OWENS, P.C.

**Steven R. Owens, Attorney at Law**  
*Admitted to practice before the courts of Arizona and Colorado*

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**VIA CONFIRMED FACSIMILE AND U.S. MAIL**

December 17, 2001

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
6900 East Camelback Road, Suite 640  
Scottsdale, Arizona 85251

**Re: Skydance Helicopters v. Sedona Oak-Creek  
Airport Authority  
Case Number: CV20016686**

Dear Richard,

I have received your letter of earlier today and am writing in response. You are correct in your understanding that my client will not take any action to prosecute the FED action, which is precisely what my letter of December 13, 2001 stated. It follows from this fact that your instructions to your client to re-let the premises would be prudent.

However, you are absolutely incorrect in your stated understanding that my client "will not take any legal action against the Sedona Oak Creek Authority d/b/a Sedona Airport, its officers, directors or employees." I can not possibly understand how you could have formed such an "understanding" since I never stated or implied any such thing.

As I made clear in my letter of December 13, 2001, it is my client's position that your client, as well as numerous of its officers, directors and employees, engaged in a deliberate, coordinated and wrongful pattern of action over

Richard Spector, Esq.  
SPECTOR LAW OFFICES, P.C.  
December 17, 2001  
Page 2

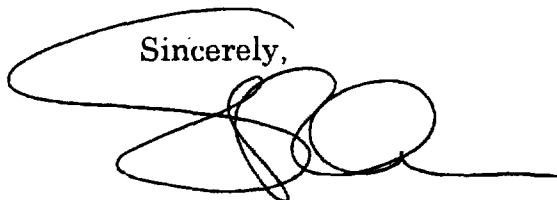
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several years to destroy my client's business and drive it off of the Sedona Airport. That effort was effective, and my client believes that this effort was the reason that it was damaged. I don't think it needs to be stated, but since you have somehow misunderstood this point, we might as well be clear: my client fully reserves all of its rights to exercise all of its legal rights and remedies. It has done absolutely nothing to waive any of these rights and remedies, and if you or your client have somehow formed such an understanding, please stand corrected.

I really don't see the point of a protracted exchange of letters on this point. Please simply understand that my client has reserved all of its rights and remedies, all without waiver, and we understand that your client has done the same—no letter is necessary informing me of that fact.

However, if you or your client need to contact my client for any reason in the future, you may do so care of my office. Again, and as always, please don't hesitate to contact me with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to be "SRO", with a long horizontal line extending to the right.

Steven R. Owens

SRO:mja





1 LAW OFFICE OF STEVEN R. OWENS, P.C.

2 STEVEN R. OWENS, ESQ., Arizona Bar # 13994

3 POST OFFICE BOX 3779

4 ENGLEWOOD, COLORADO 80155-3779

5 TELEPHONE (928) 300-1211

6 TELEFAX (720) 488-9119

7 Attorney for Claimant Skydance Helicopters, Inc.

8 **NOTICE OF CLAIM AND STATEMENT OF CLAIM**

9 In re Claim of:

10 **SKYDANCE HELICOPTERS, INC., a**  
11 **California corporation,**

12 Claim Against:

13 **SEDONA OAK-CREEK AIRPORT**  
14 **AUTHORITY, an Arizona non profit**  
15 **corporation; David Webster, Allan**  
16 **Pratt, Mike Bryant, Russell Demaray,**  
17 **Al Bieber, Geoffrey Roth and Rick**  
18 **Hosking, its Officers and Directors;**  
**Edward J. McCall, its Manager, and**  
**YAVAPAI COUNTY, ARIZONA, a**  
**body politic.**

NOTICE OF CLAIM  
AND  
STATEMENT OF CLAIM

19 Claimant Skydance Helicopters, Inc., a California corporation qualified and  
20 doing business in Arizona as Skydance Operations, Inc., and Skydance Helicopters,  
21 Inc., ("Claimant") by and through its undersigned attorney, hereby gives notice of its  
22 claim and states as follows as its Claim against the following persons and entities:<sup>1</sup>

23  
24 This Claim is filed in accordance with the requirements of A.R.S. §§12-821, 12-  
25 821.01, *et seq* and A.R.S. §11-622 so as to preserve all of Skydance's rights and remedies in the  
26 event, and to the extent that those statutes are determined to be applicable. This is done in an  
exercise of caution, and by the filing of this Claim Skydance does not concede that SAA is a "Public  
(continued...)

1 • Sedona Oak-Creek Airport Authority, an Arizona non profit corporation  
2 ("SAA");  
3 • Yavapai County, Arizona, a body politic;  
4 • David Webster, who upon information and belief is an individual person and an  
5 officer and director of SAA during the time of the events set forth in this Claim;  
6 • Allan Pratt, who upon information and belief is an individual person and an  
7 officer and director of SAA during the time of the events set forth in this Claim;  
8 • Mike Bryant, who upon information and belief is an individual person and an  
9 officer and director of SAA during the time of the events set forth in this Claim;  
10 • Russell Demaray, who upon information and belief is an individual person and  
11 an officer and director of SAA during the time of the events set forth in this Claim;  
12 • Al Bieber, who upon information and belief is an individual person and a  
13 director of SAA during the time of the events set forth in this Claim;  
14 • Geoffrey Roth, who upon information and belief is an individual person and a  
15 director of SAA during the time of the events set forth in this Claim;  
16 • Rick Hosking, who upon information and belief is an individual person and a  
17 director of SAA during the time of the events set forth in this Claim; and  
18 • Edward J. McCall, who upon information and belief is an individual person and  
19 an employee of SAA (acting as Manager of the Sedona Airport) during the time of the  
20 events set forth in this Claim.  
21  
22

23 1 (...continued)

24 Entity" or the individuals named in this Claim are "Public Employees" under the Arizona Revised  
25 Statutes and controlling case law. Accordingly, Skydance reserves all rights with regard to  
26 whether SAA is entitled to the statutory protection afforded to public entities and whether the  
individuals named in this Claim are entitled to the statutory protection afforded to public  
employees.

1           1. Skydance is duly qualified to transact business in the State of Arizona, and  
2 transacts business within Yavapai County, Arizona.

3           2. SAA operates the Sedona Airport pursuant to a long term lease agreement  
4 with Yavapai County, Arizona and therefore carries on business within Yavapai  
5 County, Arizona. The individuals named are either directors or officers or employees of  
6 SAA, acting during the time of the events set forth in this Claim and therefore  
7 transacted business within Yavapai County, Arizona.

8           3. As a partial statement of the factual basis for this Claim, and a partial  
9 statement of the legal basis of liability, the PART 16 COMPLAINT, which was filed by  
10 Skydance against SAA and Yavapai County with the U.S. Department of  
11 Transportation (the "Part 16 Complaint"), a copy of which is attached hereto as Exhibit  
12 A, is hereby incorporated herein in full, as if fully restated.<sup>2</sup>

13           4. In addition to the factual bases and bases of liability set forth in the Part 16  
14 Complaint, Skydance hereby additionally claims that, as set forth in the Part 16  
15 Complaint, the eviction of Skydance from the Sedona Airport was wrongful and SAA is  
16 therefore guilty of forcible detainer pursuant to A.R.S. §§12-1171 & 12-1172, and has  
17 thereby damaged Skydance. To wit: although Skydance was in full compliance with  
18 the terms of the Leases and its lease extension agreement dated November 1, 2000,  
19 and was fully paid up on all of its rental obligations through November 30, 2001, and  
20 (as detailed in the Part 16 Complaint) had the right to continue operations at Sedona  
21 Airport, SAA wrongfully entered Skydance's leased sales office by force, locked  
22 Skydance out of its leased sales office on November 12, 2001, tore down all of  
23 Skydance's legal and conforming signage, and posted large signs in the window stating  
24

25           <sup>2</sup> Only the Part 16 Complaint is attached hereto. The extensive exhibits to the Part  
26 16 Complaint were previously served upon SAA, Yavapai County, and their counsel. The full set  
of exhibits will be provided to any individual upon request made to undersigned counsel.

1 that SAA had reentered the Skydance's sales office and would have any persons  
2 entering those premises arrested for trespass, all of which were intentionally done to  
3 maximize the economic damage to Skydance.

4 5. Under Arizona law, Skydance was entitled to quiet enjoyment of its leased  
5 spaces, and (as detailed in the Part 16 Complaint) the continued commercial use of the  
6 Sedona Airport, therefore SAA is guilty of Forcible Entry and Detainer pursuant to  
7 A.R.S. §§12-1171 and 12-1172. Skydance made written demand for return of the  
8 leased premises, but SAA refused to surrender possession, which was intentionally  
9 done to maximize economic damage to Skydance.

10 6. The individual officers and directors of SAA named in this Claim are  
11 personally liable to Skydance for the damages suffered by Skydance, because they did  
12 not take the actions detailed in the Part 16 Complaint in good faith, or exercise in their  
13 capacities as directors of SAA the care an ordinarily prudent person would exercise  
14 under similar circumstances. In fact, Skydance asserts that the individual Officers and  
15 Directors of SAA acted with animosity, malice and ill will towards Skydance, and  
16 intentionally wrongfully caused SAA to damage Skydance. SAA and Yavapai County  
17 are responsible for, and liable for, the actions of the officers and directors of SAA.

18 7. McCall is personally liable to Skydance for the damages suffered by  
19 Skydance, because he did not take the actions detailed above and in the Part 16  
20 complaint in good faith, or exercise in his capacity as manager of the Sedona Airport  
21 the care an ordinarily prudent person would exercise under similar circumstances. In  
22 fact, Skydance asserts that McCall acted with animosity, malice and ill will towards  
23 Skydance, and intentionally wrongfully caused SAA to damage Skydance. SAA and  
24 Yavapai County are responsible for, and liable for, the actions of McCall.

25  
26

1           8. McCall and the individual officers and directors of SAA named above, as  
2 well as SAA, intentionally made false verbal statements and written statements and  
3 public reports regarding Skydance and the facts detailed in the Part 16 Complaint.  
4 They made these false statements with knowledge of the falsity of these statements, or  
5 with reckless disregard towards the falsity of those statements, they made those false  
6 statements with the intention of damaging Skydance in its operations and business  
7 activities, and those false statements did, in fact, damage Skydance. Therefore McCall,  
8 the individual officers and directors named above, SAA and Yavapai County are jointly  
9 liable to Skydance for its damages incurred as a result of those false statements.

10           9. McCall and the individual officers and directors of SAA named above, as  
11 well as SAA, were consciously aware of the wrongfulness and harmfulness of their  
12 conduct and yet continued to act in the same wrongful and harmful manner in  
13 deliberate contravention of the rights of Skydance, with an intent to injure Skydance  
14 and with an intent to deliberately interfere with the rights of Skydance, consciously  
15 disregarding the unjustifiably substantial risk of significant harm to Skydance caused  
16 by their wrongful actions. Under Arizona law, this malicious and aggravated course of  
17 action by McCall and the individual officers and directors of SAA named above  
18 demonstrates that McCall and the individual officers and directors of SAA named  
19 above acted with "evil minds." to damage Skydance and Skydance is therefore entitled  
20 to punitive damages from McCall and the individual officers and directors of SAA  
21 named above, as well as from SAA and Yavapai County, who are responsible and liable  
22 for the actions of McCall and the individual officers and directors of SAA named above.

23           10. The actual consequential damages suffered by Skydance have been  
24 estimated by Robert H. Wallace as being \$1,502,223.00, which only includes ten years  
25 of lost profits and does not include the going concern sales value of the business and  
26 leasehold, which Skydance believes would exceed \$1,000,000.00. In addition, Skydance

1 has been damaged by being forced to incur attorney's fees and costs in protecting its  
2 rights, and will incur further attorney's fees and costs if this matter proceeds to  
3 litigation. A copy of Mr. Wallace's report is attached hereto as Exhibit B, and is hereby  
4 incorporated herein by this reference. In compliance with the requirements of A.R.S.  
5 §§12-821, 12-821.01, *et seq* and A.R.S. §11-622 and in an exercise of caution so as to  
6 preserve all of Skydance's rights and remedies, Skydance hereby states that this Claim  
7 may be settled at this time for the specific amount of \$1,200,000.00.<sup>3</sup> This statement of  
8 the amount for which this Claim may be settled at this time does not constitute an  
9 estimate or statement of Skydance's actual damages, but is extended solely as a  
10 settlement statement, which may not be used for any evidentiary purpose at any trial  
11 on the issue of the actual amount of Skydance's actual, special, consequential and  
12 punitive damages, which would be far greater than this amount.

13 11. Skydance has not conducted discovery in this matter, therefore it sets  
14 forth this statement of claim upon information and belief that the above-named officers  
15 and directors of SAA, as well as McCall, were fully informed of the facts and  
16 circumstances of this case, and that they participated in the wrongful actions set forth  
17 in this Claim. Accordingly, once discovery commences in this matter, Skydance  
18 reserves the right to withdraw its Claim against any above-named officer, director or  
19 employee (including McCall) which discovery reveals did not participate in the  
20 wrongful actions set forth in this Claim, or who (unknown to Skydance at this time)  
21  
22

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23 <sup>3</sup> As set forth in Footnote 1, *above*, Skydance is complying with the requirements  
24 of A.R.S. §12-821 & §12-821.01, *et seq.* & A.R.S. §11-622 as an exercise of caution and by stating  
25 at this time the amount for which its Claim can be settled Skydance does not concede that SAA  
26 is a "Public Entity" or the individuals named in this Claim are "Public Employees" under the  
Arizona Revised Statutes and controlling case law and Skydance reserves all rights with regard  
to whether SAA is entitled to the statutory protection afforded to public entities and whether the  
individuals named in this Claim are entitled to the statutory protection afforded to public  
employees.

1 actually opposed the wrongful actions set forth in this Claim. Similarly, Skydance  
2 reserves the right, if litigation commences in this matter, to make additional claims  
3 against the parties named above, based upon facts which come to light during  
4 discovery, or to make claims against additional parties whose wrongful actions come to  
5 light during discovery.

6 Submitted this 8<sup>th</sup> day of May, 2002.

7 THE LAW OFFICE OF STEVEN R. OWENS, PC

8   
9

10 Steven R. Owens, Esq.,  
11 Post Office Box 3779  
12 Englewood, Colorado 80155-3779  
13 Counsel for the Claimant  
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**EXHIBIT A**  
**THE PART 16 COMPLAINT**  
**(WITHOUT EXHIBITS)**

LAW OFFICE OF STIFF R. OWENS, P.C.

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U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
WASHINGTON, DC 20591

SKYDANCE HELICOPTERS, INC.,

COMPLAINANT,

vs.

SEDONA-OAK CREEK AIRPORT AUTHORITY

AND

YAVAPAI COUNTY, ARIZONA,

RESPONDENTS.

DOCKET NO.

PART 16 COMPLAINT

COMMUNICATIONS WITH RESPECT  
THIS DOCUMENT SHOULD BE SENT TO:

Marshall S. Filler  
John Craig Weller  
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Dated: April 9, 2002

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
WASHINGTON, DC 20591

SKYDANCE HELICOPTERS, INC.,

COMPLAINANT,

vs.

SEDONA-OAK CREEK AIRPORT AUTHORITY

AND

YAVAPAI COUNTY, ARIZONA,

RESPONDENTS.

DOCKET NO.

PART 16 COMPLAINT

Pursuant to §16.23 of the Federal Aviation Administration's ("FAA") Rules of Practice for Federally-Assisted Airport Enforcement Proceedings ("Rules") Complainant Skydance Operations, Inc. d/b/a Skydance Helicopters ("Skydance"), through counsel, hereby files its complaint against the Sedona-Oak Creek Airport Authority and Yavapai County, Arizona for violations of 49 USC § 47107(a) by virtue of their failure to comply with grant assurances made as a condition of receipt of federal funds for improvements to the Sedona-Oak Creek Airport.<sup>1</sup> Skydance further certifies, as required by §16.21 of the Rules, that it

<sup>1</sup> On March 6, 2002, Skydance filed a Part 16 complaint solely against the Airport Authority. This complaint was assigned FAA Docket No. 16-02-02. This filing consisted of the complaint and supporting exhibits numbered 1-31. On April 1, 2002, counsel for respondent received an

has made numerous substantial and reasonable good faith efforts to resolve this matter including seeking informal resolution through the cognizant FAA office. As will be shown, Skydance believes there is no reasonable prospect of informal resolution of this matter. Therefore, Skydance files this complaint seeking an order finding the Sedona-Oak Creek Airport Authority and Yavapai County in violation of 49 USC § 47107(a) and their grant assurances and requiring that they cease and desist from such violations.

I. FACTUAL BACKGROUND

A. Sedona Airport Administration

The Sedona-Oak Creek Airport (the "Airport") is owned by the County of Yavapai, Arizona (the "County"). Exhibit 1. The County's address is Board of Supervisors, Yavapai County, 1015 Fair Street, Prescott, AZ 86305.

Some years ago, the County leased the Airport for administrative purposes to a non-profit corporation. Exhibit 1. This corporation, the Sedona-Oak Creek Airport Authority is now known as the Sedona Airport Administration ("SAA"), with its address at 235 Air Terminal Drive, Suite 1, Sedona, AZ 86336. It leases the Airport from the County for a nominal amount per year. In effect, the County has delegated its responsibilities for administration and operation of the Airport to SAA.

SAA is controlled by an appointed Board of Directors ("Board") who are usually persons who are non-commercial users of the Airport with aircraft based at the Airport. Exhibit 1. Board members are elected by existing Board members so the Board is self-perpetuating. There is limited input from the County Board of Supervisors on Board membership and none from its electorate. Exhibit 1. As far as Skydance is aware, no commercial user of the Airport has ever been a

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undated document from the FAA dismissing the complaint without prejudice because Yavapai County had not been named and served. In accordance with the instructions in this document, only the County is being served with a copy of the exhibits. References in this complaint to exhibit numbers refer to the exhibits filed with the original complaint.

member of the Board. The day-to-day operation of the Airport is run by a paid staff member of SAA who functions as airport manager and who answers only to the Board.

**B. Skydance's Operations at the Airport**

Skydance began its operations at the Airport on March 1, 1994. At that time it leased an office and a helicopter landing pad. Exhibit 2. Shortly after moving in, Skydance made safety improvements, at its own expense, to the helipad area. Exhibit 3. Skydance Operations, Inc. d/b/a Skydance Helicopters holds an air carrier certificate issued under Part 119 of the Federal Aviation Regulations ("FAR") and operations specifications authorizing operations under the rules in Part 135 of the FAR. Skydance provides helicopter tours of the area around Sedona, one of the most scenic in the United States, as well as transportation to a remote Native American village.

**C. Disputes Between Skydance, Another Tenant, and SAA**

Until the current dispute, there have been two only disagreements between SAA and Skydance. The first centers around the relations between Skydance and another air tour operator, Red Rock Biplanes ("Biplanes"), which shared sales and office space in a commercial building at the Airport. Employees of Biplanes repeatedly harassed Skydance customers and employees. Indeed, Biplanes' employees on more than one occasion verbally or physically assaulted Skydance employees. In addition, Biplanes often conducted its operations in an unsafe manner. However, when Skydance complained to SAA about these activities, its complaints were ignored.

The second dispute involved a change in SAA's charges for commercial tenants on the Airport. Under a new commercial use fee schedule, Skydance would have paid \$1,000 per month while some larger operators paid less. Skydance and several other commercial tenants believed that the new fee schedule was excessive and discriminatory. While this dispute was pending,

Skydance signed a new lease for its facilities under protest. Exhibit 4. Eventually, when the FAA agreed to examine the fairness of the new fee schedule, SAA relented and amended its fee structure to provide for a charge based upon a percentage of an operator's gross revenue at the Airport. Exhibit 5. As this arrangement was acceptable to Skydance, it agreed to an amendment to its existing lease incorporating this charge and, at the same time, exercised its option to extend the lease for an additional two years. After this extension, Skydance's lease was due to expire on March 31, 2001. Exhibit 6.

Biplanes' operations adjacent to Skydance continued to create friction. Following an incident during which an enraged Biplanes' employee threw objects at a landing Skydance helicopter (apparently because of dust blown into the Biplanes' hangar by the rotors), Skydance and SAA reached an agreement to move Skydance operations away from Biplanes. Skydance was authorized to proceed with plans to construct its own office and hangar building on the Airport. SAA agreed to make needed improvements to any Airport roads for access to this proposed building. In addition, SAA agreed that Skydance would be given a 30-year lease on this facility and that Skydance would be allowed to remain at its current location until its new facility was complete. Exhibit 7. SAA's agreement to allow a 30-year lease of the new facility was crucial to Skydance as the initial estimates for construction of its new facility totaled nearly \$300,000. Exhibit 8. Only its ability to amortize such a substantial capital investment over a long period of time made such a large investment sensible for Skydance. At this point, Skydance believed it had finally achieved a viable long-term plan for its operations on the Airport.

#### D. The Current Dispute

On January 23, 2001, Skydance submitted a diagram of its proposed hangar to the SAA. Exhibit 9. Skydance anticipated no difficulty in negotiating a lease for this facility because several new hangars were already being constructed by members of the SAA Board on property adjacent to the existing

Skydance site. SAA granted 30-year leases for these hangars at favorable terms (although they were not going to be used for commercial activities). As Skydance was eager to begin construction of its own hangar, it urged the SAA to provide a lease as soon as possible. Exhibit 9.

On February 10, 2001, SAA finally provided Skydance with a draft copy of a 30-year ground lease for the new hangar. However, its cover letter also mentioned, for the very first time, a requirement for a "commercial business operations license." Such a license would be issued only for two-year terms and would be renewable "subject to business conditions." While the license was mentioned in the February 10 letter from the SAA, a copy of such a license was not included. Exhibit 10. On February 12, 2001, Skydance acknowledged receipt of the draft lease and requested a copy of the proposed business license. Exhibit 11. Then, on March 5, 2001, Skydance again wrote to SAA expressing frustration with the delay in completing arrangements for the new hangar and again asking for a draft copy of the proposed business license. Exhibit 12. Finally, because Skydance's existing lease was near its expiration, SAA notified Skydance on March 28, 2001 that the lease would be continued on a month-to-month basis. Exhibit 13. The next day Skydance replied by noting that SAA had already agreed (Exhibit 7) in writing that Skydance's existing leases would remain in effect until completion of the new hangar. Exhibit 14. At the time, Skydance was relying on the good faith of the SAA and did not believe that its month-to-month notification was a material change to this prior agreement. Id.

Finally, on April 11, 2001, Skydance received a draft copy of the proposed license agreement. Exhibit 15. Until this time, Skydance had not been opposed to a requirement of a license in addition to a ground lease for its hangar property. Indeed, it had been relying upon the good faith of the SAA in drafting such a license. A review of the proposed license quickly revealed that such reliance had been misplaced. Several provisions of the document were oppressive and unacceptable.

**E. The Unacceptable License Agreement**

First, Paragraph 3 of the license, entitled Grant of License, provided that the license could be terminated by SAA upon any breach of a provision of the lease determined *in the sole discretion of SAA*. Indeed, SAA was authorized to revoke the license "*with or without cause*" and any such action by SAA was deemed to be binding upon Skydance. Further, all rights to appeal or contest such a determination were waived. Upon such a determination by SAA, Skydance would be required to vacate its premises (the 30-year lease notwithstanding) within seven days. In short, Skydance's 30-year lease could be reduced to a mere seven days at the whim of the SAA and Skydance would have no right to challenge this action, no matter how arbitrary.

Paragraph 4 of the proposed license further required that Skydance refrain from any action that might be "objectionable" to SAA or to any Airport patron. However, nowhere is there any method of determining just what might be "objectionable." Paragraph 6 of the draft license provided that any extension of the license for subsequent two-year terms would be subject to an increase in fees and costs to be determined by SAA "*at its sole discretion and determination.*" Finally, Paragraph 7.4.5 relieved the SAA of all liability for negligence.

Just after receiving the draft license, Skydance was contacted by an SAA safety consultant, Mr. Bieber. Skydance asked Bieber if all commercial operators would be required to sign such a license. The next day Bieber advised Skydance that only commercial operators wanting to construct their own hangars would be required to sign. (*i.e.*, only Skydance and Biplanes). Indeed, a statement by the Airport manager, Mac McCall, that was overheard by a Skydance employee indicates that McCall intended to require the license only of Skydance and Biplanes in order to give him more control over their operations. Exhibit 16.



Skydance requested that its counsel review the proposed lease and license documents. On July 6, 2001, counsel for Skydance wrote to Mr. McCall to advise him that the proposed lease was substantially acceptable, subject only to certain minor changes. He also noted that Skydance was willing to accept a license agreement that was fair, reasonable, and applicable to all commercial operators at the Airport. However, he then pointed out that the proposed agreement was simply unacceptable and contrary to law. Exhibit 17. SAA replied that it was now unable to enter into a long-term lease with Skydance because its lease with the County would end in May, 2031. Exhibit 18. Counsel for Skydance responded on August 8 with a detailed explanation of Skydance's position regarding the proposed lease (substantially acceptable) and the proposed license (unacceptable in its current form). This letter also detailed the legal basis for Skydance's position and placed SAA on notice that Skydance intended to file a Part 16 complaint if SAA continued to deal in bad faith. Exhibit 19. On August 17, counsel for Skydance provided to SAA a revised draft of the proposed license agreement in an effort to move negotiations along. Exhibit 20. Another proposed revision (substantially similar) was sent on August 20. Exhibit 21.

On August 20, 2001, counsel for SAA replied that Skydance's proposed changes were unacceptable. Exhibit 22. The tone of this letter gave the clear impression that SAA did not intend to negotiate issues concerning the license in good faith. On August 23, 2001, counsel for Skydance replied to this letter, repeating the legal and equitable justification for Skydance's position and soliciting the assistance of the SAA and its counsel in resolving the matter. However, SAA was also advised that Skydance intended to seek mediation from Mr. Tony Garcia of the FAA. Exhibit 23. A letter was sent to Mr. Garcia that same day. Exhibit 24.

When he received Skydance's letter, Mr. Garcia requested certain information from SAA in a letter dated September 7, 2001. Exhibit 25. SAA

apparently sent Mr. Garcia some information in response to this request, although Skydance did not receive copies at the time. After reviewing SAA's response to his first request, on October 17, 2001, Mr. Garcia requested additional information about the licensing process at the Airport. Exhibit 26. Meanwhile, SAA and Skydance continued to exchange correspondence concerning the issues. While SAA made some concessions concerning the language of Paragraph 3, its proposal was still unreasonable. In addition, it was unwilling to modify the other objectionable portions of the license document. Indeed, while purporting to negotiate in good faith, SAA also threatened to terminate Skydance's existing lease and evict it from the Airport. This threat was not carried out until later.

On October 26, 2001, Mr. Garcia wrote to Skydance with a determination that the proposed license agreement did not violate the Airport's grant assurances. Exhibit 27. Naturally, Skydance was shocked. This result was especially disconcerting because Mr. Garcia did not solicit Skydance's views on any information he received from SAA. Thus, his investigation was necessarily one-sided. On October 31, 2001, counsel for Skydance wrote to Mr. Garcia pointing out that much of the information he had relied upon in his letter was untrue. Exhibit 28. This letter also pointed out that, emboldened by his letter, SAA had presented an ultimatum to Skydance: Sign the license agreement or vacate its premises by November 12, 2001. Exhibit 29.

Despite the letter from Skydance's counsel pointing out errors in the facts he relied upon, Mr. Garcia indicated that he considered the matter closed. However, he did agree to send copies of all the documents he had relied upon in reaching his decision. When Skydance received these copies on November 12, 2001, it realized that much of the information submitted to Mr. Garcia by SAA was slanted, immaterial, or simply untrue. However, before it could take any further action, Skydance was locked out of its offices on November 13, 2001. Exhibit 30.

#### F. Skydance's Efforts to Obtain Relief

In the face of this draconian action, Skydance wanted to resume its business at the Airport as soon as possible. Because a Part 16 complaint would take some time, counsel for Skydance advised seeking a restraining order against SAA in the local courts. Thus, Skydance's immediate actions to force SAA to permit it to resume operations concentrated on this alternative. When this action was delayed by procedural issues, Skydance realized that immediate relief from the SAA action would not be possible. For this reason, Skydance was forced to lay off its employees at the Airport and relocate its helicopters to other locations. Naturally, this relocation consumed most of Skydance's immediate attention for the remaining weeks of 2001.

In January 2002, Skydance retained this firm to prepare and file a Part 16 complaint. Preparation of this complaint and the supporting materials has proceeded diligently since that time.

#### II. The Airport's Grant Assurances.

In the course of its history, the Airport, through its sponsor the County, has received federal funds under the Airport and Airway Improvement Act of 1982. Specifically, the Airport has received at least 11 grants of federal funds since 1982. Exhibit 31. Thus, the County and SAA are required to comply with all the standard grant assurances that are part of the airport grant program. Indeed, the SAA model ground lease that was presented for signature by Skydance (Exhibit 9) provides in Paragraph 19 that the lease is subordinate to *inter alia* "airport grant assurances contained in agreements with the FAA and airport compliance requirements issued by the FAA."

In particular, Assurance No. 22 prohibits economic discrimination at an airport which has received federal funds. Two of the specific sub-assurances in this area are pertinent to the actions of SAA. First, Assurance 22a requires an airport sponsor to:

make its airport available as an airport for public use on fair and reasonable terms and without unjust discrimination, to all types, kinds, and classes of aeronautical use.

Thus, the first question which must be examined is if the terms proposed by SAA in the license agreement were fair and reasonable.

In addition to a duty to impose only conditions that are fair and reasonable, this assurance also imposes an obligation to ensure maximum utility to the public from the airport by making available leased space on the airport to those willing and able to provide flight services to the public. FAA Order 5190.6A, Airports Compliance Handbook ("Compliance Handbook"), Chapter 4, Paragraph 4-11. Paragraph 4-15(c) of the Handbook explains this duty with respect to activities offering services to the public.

If adequate space is available on the airport, and if the airport owner is not providing the service, it is obligated to negotiate on reasonable terms for the lease of space needed by those activities offering flight services to the public, or support services to other flight operators, to the extent there may be a public need for such services. A willingness by the tenant to lease the space and invest in the facilities required by reasonable standards shall be construed as establishing the need of the public for the services proposed to be offered.

[Emphasis supplied]

In addition, Assurance 22e requires (in pertinent part) that each air carrier using an airport:

shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such carriers which make similar use of such airport and utilize similar facilities . . . .

For the purpose of satisfying this grant assurance, SAA must have required all air carriers using similar facilities at the Airport to submit to the same licensing requirements that it sought to impose on Skydance. Skydance believes that the

facts of this matter, as set forth above, show that the County and SAA did not comply with either of these assurances.

III. Noncompliance with Grant Assurances.

Even a cursory examination of the license agreement proposed by SAA shows that it was far from fair and reasonable. Exhibit 15. Its most egregious defect is the power granted to SAA in Paragraph 3 to deem a licensee in default in its own sole discretion and without any ability of the licensee to cure the default. Indeed, this paragraph gives SAA the power to declare a licensee in default "with or without fault." Once the SAA makes this determination, no matter how arbitrary or unfounded, a licensee must vacate its premises within seven days.

For a tenant like Skydance, this provision is clearly unfair and unreasonable. SAA encouraged Skydance to undertake to build its own hangar and office facilities at considerable expense to Skydance. As an inducement to Skydance to make such a substantial investment at the Airport, SAA offered to grant Skydance a 30-year lease for such property. Although Skydance subsequently agreed to a minor shortening of this period to correspond to the underlying lease from the County, it is clear that such a long-term commitment was essential to any agreement between SAA and Skydance.

However, what the SAA promised in the lease it took away in the proposed license. First, no license would run for more than two years. Thus, every two years Skydance faced the prospect of losing its ability to conduct business from its Airport facility even if the lease continued. However, the even more draconian provisions of Paragraph 3 subjected Skydance to an even greater risk. At the whim of the SAA, Skydance could be declared in default "with or without cause" and summarily evicted from its leasehold within seven days no matter how long the underlying lease had to run.

Finally, as if this were not enough, SAA insisted that Skydance waive all rights to appeal or contest its actions in any forum whatsoever (including apparently with SAA itself). In short, SAA appointed itself prosecutor, judge, jury, and executioner. No one can suggest that such a requirement is either fair or reasonable.

In fact, if such a requirement were imposed by the County as a governmental agency rather than through SAA as a non-profit corporation, it might very well be unconstitutional. It seems clear that Skydance would have had some form of property rights in both the leasehold agreement on its hangar as well as the license to conduct commercial operations at the Airport. As such, any governmental action to deprive Skydance of such property rights would be subject to some form of due process requirement, no matter how attenuated. Paragraph 3, however, provides no due process whatsoever.

Other provisions of the proposed license agreement are nearly as unfair and unreasonable. Paragraph 4 proscribes any conduct by a licensee that may be "objectionable" to either SAA or any Airport customer. However, there is no clue given as to what might be deemed objectionable or who might make that judgment. Once again, this is hardly fair and reasonable.

Paragraph 6 empowers SAA to determine fees and costs upon renewal of a license "at its sole discretion and determination." However, the document is devoid of any method by which SAA will make such a determination. Thus, SAA could, if it wished, simply price a licensee out of the Airport. This is clearly neither fair nor reasonable.

Finally, Paragraph 7.4.5 waives any claims against SAA or its employees even for negligent acts. In general, the law does not favor such disclaimers of liability for negligence, especially when one party (SAA) has a superior bargaining position. Once more, SAA tried to impose terms that were neither fair

nor reasonable. Because of its attempt to impose such terms in its license agreement, the County and SAA are in violation of Grant Assurance 22a.

In addition, it is abundantly clear from the exhibits that SAA did not negotiate in good faith with Skydance over the terms of its ground lease and, in particular, the license. It engaged in delay and bullying throughout its negotiations, often threatening Skydance with termination of its existing lease. Then, after Mr. Garcia's ruling, it simply cut off negotiations and locked Skydance out of its facility. This failure to negotiate in good faith also constitutes a breach of Grant Assurance 22a.

Finally, the terms in the license agreement are so unfair and unreasonable that it would be a violation of SAA's grant assurances even if they were imposed on all commercial operators at the Airport. However, Skydance believes that not all commercial operators at the Airport have, in fact, been required to sign the same license agreement presented to Skydance. It understands that at least one Part 135 operator still doing business at the Airport has not even been asked to sign the license. The FAA should require more than mere assurances from SAA that all have signed. If, as Skydance believes, some have not, the County and SAA are also in violation of Assurance 22e.

IV. Skydance Has Complied with §16.21 of the Rules.


§16.21 of the Rules requires that before filing a complaint, a party must have made good faith efforts to resolve the matter informally. The factual narrative above shows that Skydance went far beyond reasonable efforts to resolve this matter, only to be thwarted at every turn by SAA's intransigent attitude. In fact, Skydance twice put SAA on notice that it might file a complaint if SAA did not negotiate in good faith. Skydance also sought the intervention of the FAA to resolve this matter. Unfortunately, the FAA's representative did not solicit Skydance's side of the story before reaching a conclusion. In any event, Skydance has made more than substantial and reasonable good faith efforts to

resolve this matter informally. Moreover, SAA's summary eviction of Skydance from its existing facility at the Airport makes it crystal clear that no informal resolution of this matter is possible.

V. Conclusion.

Based upon the facts and arguments set forth in this complaint, Skydance believes it has amply demonstrated that the County, through the actions of its agent and lessee SAA, has violated 49 USC § 47107(a) by failing to comply with at least two of its grant assurances. Accordingly, it requests that the FAA issue an order so finding and requiring the County and SAA to cease and desist from such violations in the future.

Respectfully submitted,



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John Craig Weller  
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(703) 299 0254  
msf@fillerweller.com  
icw@fillerweller.com

Dated: April 9, 2002



CERTIFICATE OF SERVICE

I hereby certify that on this date I have caused the executed original and three (3) copies of the foregoing Part 16 Complaint (without exhibits) to be hand-delivered to:

Office of the Chief Counsel  
ATTN: FAA Part 16 Airport Proceedings Docket (AGC-610)  
Federal Aviation Administration  
800 Independence Avenue, SW  
Washington, DC 20591

I further certify that on this date I have placed in United States mail, certified-return receipt requested, true copies of the foregoing Part 16 Complaint addressed to:

Mr. Edward McCall  
General Manager  
Sedona Airport Administration  
235 Air Terminal Drive  
Suite 1  
Sedona, AZ 86336  
(w/o exhibits)

Richard Spector, Esq.  
Spector Law Offices, P.C.  
6900 East Camelback Road  
Suite 640  
Scottsdale, AZ 85251  
(w/o exhibits)

Yavapai County  
Board of Supervisors  
1015 Fair Street  
Prescott, AZ 86305  
(with exhibits)

  
DEBBIE SANVILLE

DATED: April 9, 2002

LAW OFFICE OF STI P. OWENS, P.C.

POST OFFICE BOX 1379  
ENGLEWOOD, COLORADO 80155-3779  
FACSIMILE (720) 488-9119

**EXHIBIT B**  
**THE PRELIMINARY ESTIMATE OF DAMAGES**

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BRODSHATZER, WALLACE, SPOON & YIP  
CERTIFIED PUBLIC ACCOUNTANTS

Dr. Arthur Brodshatzer • Robert Wallace • Roberta Spoon • Tony Yip  
Wayne Mushet • Robert Taylor

May 7, 2002

Michael Cain  
Skydance Helicopter, Inc.  
40 White Horse Way  
Sedona, Arizona 86351

Dear Mr. Cain:

We were retained by you to provide a calculation of the damages incurred by Skydance Helicopter, Inc. and yourself ("Skydance") as a result of the eviction of Skydance by the Sedona Airport as of November 12, 2001. This report is for settlement purposes only and may be revised based on additional information.

We were provided with the profit and loss statements of Skydance for the years ended April 30, 2001, 2000, 1999 and 1998. Based on this information and discussions with you and your accountants, we prepared a profit and loss statement to determine normalized earnings for Skydance in order to calculate the lost profits for the Sedona operation for a five and ten year period into the future plus the six month period since the eviction.

The normalized profit and loss statement, which we prepared, is included as Exhibit A. The Sedona operations (excluding the "Havasupai" work) historically had generated approximately \$840,000 in gross revenues with the use of one helicopter. The expenses reflected in Exhibit A were based on the historical relationship of the expenses to the revenue generated. Consideration was given that historical depreciation and insurance costs included the costs for two helicopters; however only one helicopter is needed for the level of operations projected in the normalized profit and loss. Therefore, the insurance and depreciation costs included in the normalized profit and loss statement include the insurance and depreciation costs for one aircraft.

Based on the normalized profit for the business we have assumed a growth rate of three percent per year. We have used a discount rate of 26% in Exhibit B and C.

**Skydance Helicopter Inc.  
Sedona Operation**

	Normalized	
<b>Revenues</b>		
Helicopter Services	\$ 815,000	
Sale of Products	25,000	
	<u>840,000</u>	100%
<b>Expenses</b>		
Commercial Activity fee	17,220	2.05%
Advertising	20,000	
Bank fees	2,940	0.35%
Commissions	21,000	2.50%
Cost of merchandise	21,750	87% of product sales
Depreciation	30,000	
Dues & subscriptions	1,300	
Fuel	52,920	6.30%
Insurance-Other	45,000	
Interest expense	3,000	
Legal and accounting	5,500	
Meals	3,500	
Office supplies	5,000	
Outside services	8,000	
Payroll tax	12,000	10% of salaries
Postage	2,000	
Rent and building depreciation	33,800	
Repairs and maintenance	40,000	
Salaries	120,000	
Supplies	12,600	1.50%
Sales tax	5,040	0.60%
Telephone and utilities	14,500	
Travel and lodging	12,000	
Vehicle expense	6,000	
	<u>495,070</u>	
Income before tax	<u>\$ 344,930</u>	
USE	\$ 340,000	

EXHIBIT A

**Skydance Helicopters, Inc  
Discounted Net Profits**

	4/30/02 (11/12/01-4/30/02)	4/30/03	4/30/04	4/30/05	4/30/06	4/30/07
Normalized earnings		\$ 350,200	\$ 360,706	\$ 371,527	\$ 382,673	\$ 394,153
340,000	155,833					
Growth rate	3%					
Discount rate		26.00%	26.00%	26.00%	26.00%	26.00%
Present value as of 4/30/02		\$ 305,488	\$ 243,288	\$ 193,753	\$ 154,303	\$ 122,885
Cummulative present value	\$ 155,833	\$ 461,321	\$ 704,609	\$ 898,362	\$ 1,052,665	\$ 1,175,550

**Skydance Helicopters, Inc**  
**Discounted Net Profits**

	4/30/02 (11/12/01-4/30/02)	4/30/03	4/30/04	4/30/05	4/30/06	4/30/07	4/30/08	4/30/09	4/30/10	4/30/11	4/30/12
Normalized earnings	\$ 155,833	\$ 350,200	\$ 380,706	\$ 371,527	\$ 382,673	\$ 394,153	\$ 405,878	\$ 418,157	\$ 430,702	\$ 443,623	\$ 456,932
Growth rate	340,000 3%										
Discount rate		26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Present value as of 4/30/02		\$ 305,488	\$ 243,288	\$ 193,753	\$ 154,303	\$ 122,885	\$ 97,865	\$ 77,939	\$ 62,070	\$ 49,432	\$ 39,367
Cumulative present value	\$ 155,833	\$ 481,321	\$ 704,609	\$ 898,362	\$ 1,052,665	\$ 1,175,550	\$ 1,273,415	\$ 1,351,354	\$ 1,413,424	\$ 1,462,856	\$ 1,502,223